

CONFIDENTIAL: The following message of the President, transmittting the North Atlantic Treaty to the Senate, MUST BE HELD IN STRICT CONFIDENCE and no portion, synopsis or intimation is to be given out or published until READING of the Message has begun in the Senate.

PLEASE GUARD AGAINST PREMATURE PUBLICATION OR RADIO ANNOUNCEMENT.

CHARLES C. ROSS
Secretary to the President.

- - - - -

I transmit herewith for the consideration of the Senate a copy of the North Atlantic Treaty signed at Washington on April 4, 1949, together with a report of the Secretary of State.

This Treaty is an expression of the desire of the people of the United States for peace and security, for the continuing opportunity to live and work in freedom.

Events of this century have taught us that we cannot achieve peace independently. The world has grown too small. The oceans to our east and west no longer protect us from the reach of brutality and aggression.

We have also learned — learned in blood and conflict — that if we are to achieve peace we must work for peace.

This knowledge has made us determined to do everything we can to insure that peace is maintained. We have not arrived at this decision lightly, or without recognition of the effort it entails. But we cannot escape the great responsibility that goes with our great stature in the world. Every action of this Nation in recent years has demonstrated the overwhelming will of our people that the strength and influence of the United States shall be used in the cause of peace, justice and freedom.

In this determination, our people wholeheartedly accepted the Charter of the United Nations in 1945. Since then, we have worked unceasingly to reach international agreement through the United Nations and to make the United Nations a more effective instrument for its mighty task.

In the last year we have embarked on a great cooperative enterprise with the free nations of Europe to restore the vitality of the European economy -- so important to the prosperity and peace of our country and the world.

The North Atlantic Treaty is further evidence of our determination to work for a peaceful world. It is in accord with the action of the Senate last June when it signified its approval of our country's associating itself in peacetime with countries outside the Western Hemisphere in collective arrangements, within the framework of the United Nations Charter, designed to safeguard peace and security.

The twelve nations which have signed this Treaty undertake to exercise their right of collective or individual self-defense against armed attack, in accordance with Article 51 of the United Nations Charter, and subject to such measures as the Security Council may take to maintain and restore international peace and security. The Treaty

make clear the determination of the people of the United States and of our neighbors in the North Atlantic community to do their utmost to maintain peace with justice and to take such action as they may deem necessary if the peace is broken.

The people of the North Atlantic community have seen solemn agreements, designed to assure peace and the rights of small nations, broken one by one and the people of those nations deprived of freedom by terror and oppression. They are resolved that their nations shall not, one by one, suffer the same fate.

The nations signing this Treaty share a common heritage of democracy, individual liberty, and the rule of law. The American members of the North Atlantic community stem directly from the European members in tradition and in love of freedom. We have joined together in the progressive development of free institutions, and we have shared our moral and material strength in the present task of rebuilding from the devastation of war.

The security and welfare of each member of this community depend upon the security and welfare of all. None of us alone can achieve economic prosperity or military security. None of us alone can assure the continuance of freedom.

Together, our joint strength is of tremendous significance to the future of free men in every part of the world. For this Treaty is clear evidence that differences in language and in economic and political systems are no real bar to the effective association of nations devoted to the great principles of human freedom and justice.

This Treaty is only one step -- although a long one -- on the road to peace. No single action, no matter how significant, will achieve peace. We must continue to work patiently and carefully, advancing with practical, realistic steps in the light of circumstances and events as they occur, building the structure of peace soundly and solidly.

I believe that the North Atlantic Treaty is such a step, based on the realities of the situation as seen today and framed within the terms of the United Nations Charter and the Constitution of the United States.

In the conviction that the North Atlantic Treaty is a great advance toward fulfillment of the unconquerable will of the people of the United States to achieve a just and enduring peace, I request the advice and consent of the Senate to its ratification.

The White House,

April 12, 1949.

DEPARTMENT OF STATE
WASHINGTON
July 22, 1949

MEMORANDUM FOR THE PRESIDENT

I suggest that you sign the instrument of ratification of the North Atlantic Treaty on Monday, July 25, at 11 a.m., and that the following persons be invited by The White House to attend the ceremony:

The Vice President
The Speaker of the House
The Secretary of State
The Secretary of Defense
Senators Lucas

Connally
George
Thomas
Tydings
Pepper
Green
McMahon
Fulbright

Representative McCormack

Kee
Martin
Eaton

Dr. Francis G. Wilcox

Vandenberg
Wiley
Smith
Hickenlooper
Lodge

I am attaching a suggested statement to be made by you, if you agree, after the actual signing of the instrument.

Suitable press and radio coverage has been arranged by Mr. Rose and Mr. McDermott.

Franklin D. Roosevelt

Enclosure:

Suggested statement.

*100
Signed
as suggested
with the President
from the file
of State.*

x550

x20

*Unfiled
OK*

DRAFT STATEMENT BY THE PRESIDENT

The American people value peace and freedom above all things. Our ratification of the North Atlantic Pact with the overwhelming support of the Senate and the people shows our determination to preserve this peace and freedom.

This Treaty is a historic step toward a world of peace, a free world, free from fear, but it is only one step. We have malice toward none. With our partners in the pact and other like-minded peoples we must, with God's help and guidance wage peace with every means at our command. We must keep ourselves morally and materially strong. We must play our part in helping to strengthen freedom everywhere. We must work patiently and tirelessly to make the United Nations ever more effective for its great task. We must seek ever greater unity of purpose and of action in the cause of peace.

DEPARTMENT OF STATE

66 THE LEGAL ADVISER

North Atlantic Treaty

7
July 25, 1949

Ratification of the North Atlantic Treaty

1. Ratification, in duplicate, to be signed by the President and by the Secretary of State.
2. Warrant for affixing the seal to be signed by the President and initialed by the Secretary of State.
3. Ratification, in duplicate, and warrant are dated July 25, 1949.

CJB

Charles I. Bevans
Deputy Assistant for Treaty Affairs
Office of the Legal Adviser



Members of
HARRY S. TRUMAN
OFFICIAL FILE

Mr. Ross

77 1/2 7/57

July 25, 1949.

THE FOLLOWING PERSONS FROM STATE DEPT.
WILL ATTENDING SIGNING AT 11. A.M.

- Hon. Dean Rusk
- Hon. Ernest Grass
- Mr. Lucius Battle
- Mr. Wm. Galloway
- Mr. John Foley
- Mr. Charles Spruoks
- Hon. Stanley Woodward

The following persons have been invited to attend the signing
by the President of the instrument of ratification of the
North Atlantic Treaty on Monday July 25, 12:00 a.m.:

The Vice President, Honorable Alben Barkley
The Speaker of the House, Honorable Sam Rayburn
The Secretary of State, Honorable Dean Acheson
The Secretary of Defense, Honorable Louis Johnson

Senator Scott W. Lucas, Illinois
Senator Tom Connally, Texas
Senator Walter F. George, Georgia
Senator Elbert D. Thomas, Utah
Senator Millard E. Tydings, Maryland (unable to attend - out of the city)
Senator Claude Pepper, Florida
Senator Theodore Francis Green, Rhode Island
Senator Elisha Callahan, Connecticut
Senator J. William Fulbright, Arkansas
Senator Arthur H. Vandenberg, Michigan
Senator Alexander Wiley, Wisconsin
Senator R. Alexander Smith, New Jersey
Senator Bourke B. Hickenlooper, Iowa
Senator Henry Cabot Lodge, Jr., Massachusetts

Congressman John W. McCornack, Mass.
Congressman John Kees, West Virginia
Congressman Joseph W. Martin, Mass. (unable to attend - out of the city)
~~Congressman Charles A. Eaton, New Jersey ?~~

Dr. Francis O. Wilcox, Secretary of the Foreign Relations
Committee of the Senate



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Treaty
 DEPARTMENT OF STATE
 OFFICE OF THE SECRETARY
 WASHINGTON

August 23, 1949

MEMORANDUM FOR MR. CONNELLY

Subject: White House Ceremony for the Entry
Into Force of the North Atlantic
Treaty

In accordance with the President's wishes, arrangements have been made for deposit of the instruments of ratification of the North Atlantic Treaty by Denmark, France, Italy, and Portugal at the White House on *x 028*
 Wednesday, August 24, 1949, 12:30 p.m.

x 203 In addition to the Ambassadors or *x 233* *x 442* Chargés d'Affaires of the countries listed above there will be present the Ambassadors or Chargés d'Affaires of each of the other North Atlantic Pact nations. A list of those persons who will participate in the ceremony is attached.

The following procedure is planned:

- (1) Each of the Ambassadors of the four ratifying countries will present to Secretary Acheson his instrument of ratification and will make a short statement consisting of only a few sentences. The Secretary will then reply with very brief remarks which will concern only the functions of this Government as depository government of the Treaty.
- (2) It is suggested that the President then make a short statement, of which a proposed draft is attached. After concluding the statement, the President should then sign the proclamation on the entry into force of the Treaty, and the Secretary of State will countersign.

There will be no statements by any of the Ambassadors other than those presenting instruments of ratification.

I assume you will take care of the necessary press arrangements with Mr. Rose. If you have any further questions, please call me.

Carl H. Rumsfeld
 C. H. Rumsfeld

*x 50**x 20*

x Permanent File - North Atlantic Treaty

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AUGUST 24, 1949

STATEMENT BY THE PRESIDENT


On the Coming into Effect of the North Atlantic Treaty.

With the deposit of instruments of ratification by Denmark, France, Italy and Portugal, the North Atlantic Treaty today enters into effect. This is a momentous occasion not only for all the signatories of the Treaty, but for all peoples who share our profound desire for stability and peaceful development.

By this treaty we are not only seeking to establish freedom from aggression and from the use of force in the North Atlantic community, but we are also actively striving to promote and preserve peace throughout the world. In these endeavors, we are acting within the framework of the United Nations Charter, which imposes on us all the most solemn obligations.

These obligations, which bind us to settle international disputes by peaceful means, to refrain from the threat or use of force against the territory or independence of any country, and to support the United Nations in any action it may take to preserve peace, are all clearly stated in the North Atlantic Treaty.

Today, as this Treaty comes into effect, it seems particularly appropriate to rededicate ourselves to the carrying out of the great task we have set for ourselves -- the preservation of stability and peace. No nation need fear the results of our cooperation toward this end. On the contrary, the more closely the nations of the Atlantic community can work together for peace, the better for all people everywhere.





DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

WASHINGTON

April 5, 1949

~~SECRET~~
SUMMARY OF TELEGRAMS

MILITARY AID

Agreement has been reached with the Western Union Foreign Ministers on the terms of their request to us for military aid and of our reply to the request. The request follows in general the lines of the memorandum given to Douglas on March 16 by the Western Union Foreign Ministers but avoids any implication of US "participation" in the Western Union as such, makes clear instead that what is being requested is material and financial assistance and removes a phrase that we had felt implied that we could not refuse, if necessary, to furnish arms to the Dutch in the event that a solution to the Indonesian question is not reached. The request also spells out more clearly the nature of mutual aid, saying that each party, consistent with its situation and resources, will contribute in the most effective manner such mutual aid as can reasonably be expected of it. Our reply will underline that we are extending assistance to the Western Union powers in meeting the material requirements of their defense program in recognition of the principle of self-help and mutual aid contained in the Atlantic Pact, reiterate the necessity for reciprocal aid and make clear that the allocation of assistance will be effected by common agreement between the Western Union countries and the US.

The Western Union request will be submitted today, our reply will be made tomorrow, and the two documents will be made public on April 8. At the same time we are discussing with the Norwegians, Danes and Italians the text of their request and of our reply. At present it is not being planned that the Portuguese or Icelanders will submit a request.

GREECE

According to the Greek Foreign Office, the Yugoslavs have empowered one of their representatives to meet with a high ranking Greek officer to determine the place, conditions and personalities for a meeting between the two countries to settle their differences.

SECRET
U.S. : 3-402
State Dept. : Apr 12, 1949

By MLE: HL : 1, Date: 11-23-60



DEPARTMENT OF STATE
Office of the Secretary
 WASHINGTON

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 E.O. 1. 1. 1. 3-77
 Date 6. 1. 1. 12. 1979
 By NLT-*AK* 11-11-84

June 7, 1949

SECRETARY OF TELEGRAMS

MILITARY ASSISTANCE PROGRAM

Ambassadors Harriman and Douglas have expressed their deep concern over any delay in the military assistance program and recommend emphatically that all possible efforts be made to have Congress act upon legislation to implement the program at the earliest possible time. They believe that delay in consideration of the military assistance program would have a seriously adverse effect on the total situation in western Europe. They say that such delay would give rise to suspicions that we are lukewarm in our intention of giving effective support to the North Atlantic Pact and point out that in Europe the hope that the pact will be an effective deterrent to war rests not only on the intent of all the parties to act together in the event of war but also on their intent to rebuild their military strength by mutual aid. Delay in the aid program would resurrect doubts as to the dependability and consistency of US policy and fears that our intentions are not to help defend Europe but only to accept the necessity for another liberation. Harriman and Douglas state that delay would result in the loss of the momentum that has been created in Europe as the result of our consistent efforts of the past two years and would retard economic recovery. They stress that, if the upswing in European assurance in the face of the Soviets is halted by a seeming slackening in US interest and a retrogression sets in, it may be immensely costly to set it in motion again.

Our Ambassador in Paris says that both Prime Minister Quesselle and Foreign Minister Schuman have expressed concern over our intentions as to the North Atlantic Pact and the military assistance program and says that there is no question that the French are disturbed by the priority given labor legislation over the pact and by reports that the aid program might not be dealt with during the present session of Congress. Similar strong expressions of concern have been received from the Norwegians and from the Belgian Prime Minister.

CHINA

Our Charge in Canton says that the approach to our Consulate General in Faiping made by Communist leader Chou Ho-lai would appear to be more a tactical than a strategic move and recommends that we should regard it with suspicion. He points out that it would be fatal for us to be induced to assist the Communists in their period of need only to find too late that they wanted our help only until they could get along without us.



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY
WASHINGTON

June 8, 1949

~~TOP SECRET~~SUMMARY OF TELEGRAMSMILITARY AID PROGRAM

Our Embassies in Brussels, Copenhagen and Oslo have concurred emphatically in the opinion expressed by Ambassadors Douglas and Harriman that any delay in congressional action on the military assistance program would have extremely serious effects in Europe. Our Embassy in Copenhagen points out that the decisive factor in Denmark's adherence to the North Atlantic Pact was the necessity of acquiring arms and equipment obtainable only through US facilities, while Embassy Oslo states that the Norwegian Foreign Minister has stressed the embarrassment that would be caused his government if the aid program does not go through in view of its strong stand against entering a neutral defense arrangement with Sweden under which the Swedes had offered to make arms available to Norway.

CHINA

Ambassador Stuart, in commenting the approach made to our Consul General in Peiping by Communist leader Chou En-lai, says that Chou's message is a call for help and that he expects a reply, which Stuart recommends that we send. Stuart says that the Chou message does not imply any basic change in the theory or program of the Chinese Communists but only a struggle for power between the two men next in line after Chinese Communist chief Mao Tse-tung and that the radical wing of the party has been gaining ascendancy owing to anti-American sentiment, hence Chou's appeal to us. He suggests that our reply stress our friendship for China, point out that an atmosphere conducive to friendly cooperation cannot be created so long as the Chinese Communists continue their anti-American policy and propaganda and state that, while we sincerely welcome Chou's protestations of pro-western sentiments, they must be translated into deeds in order to convince us that continued American support for China is justified.

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E.O. 11652, Dec. 3-62

State Dept. Conf. not. June 12, 1979

By NLT/HK/MLG, Date 4/22/80



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY
WASHINGTON

June 10, 1949

~~SECRET~~SUMMARY OF TELEGRAMMILITARY AID
PROGRAM

Our Ambassador in The Hague has added his concurrence in the views expressed by Douglas and Harriman on the bad effects that any delay in the passage of military aid legislation would have in Europe. Our Ambassador believes that if the Dutch fail to receive early assurances that military aid will be forthcoming, this would reinforce the arguments of those who believe that the Netherlands cannot possibly establish an adequate modern defense system and should, therefore, for economic and fiscal reasons adopt a minimum defense program. Our Ambassador in Paris, in expressing his concurrence in the views of Douglas and Harriman, says that, in the absence of military assistance, the French will regard the Atlantic Pact as incomplete and will be increasingly open to the Communist whispering campaign to the effect that the pact is a dangerous piece of paper in that it is provocative to the Soviets without furnishing the means to discourage or resist their possible reaction to such provocation.

CHINA

The Communist head of the Aliens Affairs Bureau in Nanking has informed Ambassador Stuart's secretary that in order to accomplish the Communist goal of achieving Chinese economic recovery, the civil war must be ended and American aid, which will be decisive, must be received.

DECLASSIFIED

E.O. 11652, Dec. 3-472

State Dept. Dec. 12, 1973

By: HLT-ALC Date: 01/12/20

~~SECRET~~



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

WASHINGTON

June 22, 1949

~~TOP SECRET~~
SUMMARY OF TELEGRAMSATLANTIC
PACT

French Foreign Minister Schuman gave the Secretary in Paris an aide memoire stating that the French government believes that it would be most advantageous to open the debate in the French parliament on the Atlantic Pact only after clarification has been received of our views upon the military and strategic consequences which France may expect from the Pact. The aide memoire points out the long standing French concern over the absence of effective military protection for western Europe and the French expectation that such protection will be afforded by the Pact and states that, if the French people accept the political solidarity involved in the Pact and the risks entailed by it, it will be not only because they count on final victory but also because they expect effective measures to be taken to discourage or, if necessary, repel any aggressor. The aide memoire also refers to the French desire to be associated in the high strategic conduct of the defense measures taken under the Pact.

In explaining the aide memoire to our Embassy in Paris, the French Foreign Office has stated that there is no question of the Pact failing of ratification but that assurances on the points raised in the aide memoire would make a considerable difference in the ease of the majority which the government will be able to obtain. The Foreign Office said that Schuman feels that it would be of great assistance if the military assistance program had already been submitted to Congress at the time of the debate in the French parliament on ratification of the Pact and if he could receive assurances that we contemplate in the first instance the defense of western Europe in the event of hostilities and that we contemplate the inclusion of France on the combined staff organization alongside the Pact machinery, along with the US, the UK and Canada.

PALESTINE

Our Ambassador in Tel Aviv states that, although some extremists in the Israeli army and legislature advocate expansion by the use or threat of force, he believes that fear of Israeli aggression is not warranted. He thinks that Premier Ben Gurion, Foreign Minister Sharett and the Israeli General Staff are fully aware that further expansion by force would be disastrously self-defeating. He points out that the government

must

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E.O. 1.1. Sec 1-102

Declass. C. 1.1. Jan 12, 1979

REF: ~~TOP SECRET~~ 100-1113-10

must arrange for the absorption of a quarter of a million immigrants annually and reduce the cost of living if it is to survive and that any further resort to war would render these tasks difficult if not impossible and would, in addition, involve the alienation of world opinion and the risk of economic sanctions.

THIS PROGRAM, AND THEREBY TO STRENGTHEN THE ABILITY OF IRAN TO
safeguard its independence.

The new Republic of Korea, established as a result of free elections held under the auspices of the United Nations, is menaced by the communist regime in the northern part of the country. With the advice and assistance of the United States, the Korean Government has established a small force to protect its internal security and defend itself against outside aggression short of a full scale war. Equipment has been requested from the United States for airborne army and coast guard forces. It is essential to the survival of the Korean Republic that this assistance be made available.

In addition, it is necessary to continue our program of limited aid to the Republic of the Philippines, which was originated under the Act of June 26, 1946.

In this hemisphere we have expressed obligations of mutual defense with the other American Republics under the Pact of Rio de Janeiro. Our northern neighbor, Canada, is a party with us to the North Atlantic Treaty. It is important under the terms of these two treaties that we should assist Canada and the American Republics to establish adequate defenses properly coordinated with our own.

In view of our limited resources, it is impossible for us to assist on a grant basis all countries whose defense is related to our own. We can afford to bear the cost of military aid only with respect to those countries vital to our national security where the danger is greatest, and where the ability to pay for military equipment is least. With respect to such countries as Canada and the American Republics, therefore, I recommend that our assistance be limited to the use of the facilities of our Government to procure defense equipment for them at their own expense.

All these various requirements for military assistance should obviously be handled in a unified program, adaptable to its administration to the operation of our foreign policy. //

The sum which will be needed in new appropriations for the fiscal year 1950 for all the grant programs now contemplated, together with a margin for emergencies, is approximately \$1,450,000,000. The bulk of the supplies to be procured under these programs will be delivered over the next two years. Of this total \$50,000,000 has recently been requested for the interim continuation of our program of military aid to Greece and Turkey under existing authorizations. New authorization will be required for \$1,400,000,000.

The major portion of the total is to be devoted to the needs of the Western European nations. It is not proposed that specific sums be committed in advance to particular countries. Rather, the President should be able to make allocations as circumstances require.

The aid we provide will constitute only a minor fraction of what these countries will spend themselves. Agreements will be executed with the recipients, to provide for mutual assistance and to assure proper use of the equipment furnished. The recipient nations will be required to limit the use of the items supplied to the defense of agreed geographic areas, and will not be permitted to transfer them to other nations without the consent of the United States. The President should be authorized to terminate our aid at any time. Aid will be terminated in the event that a recipient acts in a manner inconsistent with the policies and purposes of the program or with its obligations under the Charter of the United Nations.

The recommended program covers the most pressing current needs for military aid. How long it may be necessary to continue military aid depends on many unpredictable factors. Our burden will undoubtedly lessen as our program for peace brings

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our goal of permanent peace by ignoring the difficult and unpleasant tasks that lie in the way. We need to show the same firmness and resolution in defending the principles of peace that we have shown in executing them. The better prepared the free nations are to resist aggression, the less likelihood there is that they will have to use the forces they have prepared. The policemen in our committee seldom have to use their weapons, but public peace would be greatly endangered if they did not have them.

The preparation of the military means for keeping the peace is necessary not only to the security of the United States but also to building a safe and prosperous world society.

Helping free nations to acquire the means of defending themselves is an obligation of the leadership we have assumed in world affairs. Within the practical limits of our resources, we must strive to act with foresight and precision, so that our strength and the collective strength of the free peoples associated with us will be most effective.

To be effective, the aid which we supply to other nations for defending themselves must be planned ahead. It must not be wasted. It must be carefully allocated to meet the realities of our own security. Above all, it is urgent to initiate a program of aid promptly if we are not to lose the momentum already gained toward recovery and political stability.

These general requirements are given sharp emphasis by consideration of the specific cases where aid is needed. Many anxious governments have requested our military assistance. Among these requests, there can be no more meaningful appeals than those which have come from the countries of Western Europe. It is entirely logical that these governments should turn to us and that we should help them. Their defense is our defense and is of deep concern to us. Twice in one generation we have found that we had to join with them in fighting against aggressor nations in order to preserve our freedom and the freedom of other democratic countries.

The principal task of the free nations of Western Europe in the last four years has been to restore their war-tattered economies. The inherent difficulties of this task have been aggravated by the foreign policy of the Soviet Union, which has done its utmost to prevent European recovery. Full economic recovery requires peaceful conditions and the assurance that the work of labor, industry and agriculture will not be swept away in an outbreak of international violence. In place of these conditions, the Soviet Union, with its violent propaganda, its manipulations of the conspiratorial activities of the world communist movement, and its maintenance of one of the largest peacetime armies in history, has deliberately created an atmosphere of fear and danger.

In the face of what has occurred in Greece, and in Berlin, in the face of the threats and pressures to which Iran and Turkey have been exposed, in the light of the suppression of human liberty in countries under communist control, the nations of Western Europe have not been able to ignore the necessity of a military defense for themselves. They have seen that the Soviet Union has done to nations for which it professed friendship and with which it was recently allied. They have observed how a communist coup d'etat, operating in the shadow of the massed military might of the Soviet Union, can overthrow, at one stroke, the democratic liberties and the political independence of a friendly nation.

As a consequence of that experience, and in the light of the fact that the two most devastating wars in history originated in Europe, they realize that they must have a shield against aggression to shelter their political institutions and the rebirth of their own economic and social life.

The nations of Western Europe have addressed themselves in all seriousness to the task of providing such a shield. In the Treaty of Brussels, five nations of Western Europe established joint measures for their own defense. In support of that treaty, they have coordinated their defensive strategy and their plans to produce necessary military supplies.

These five nations, together with Norway, Denmark and Italy, have undertaken annual military expenditures equivalent to three and one-half billion dollars. This is the maximum amount they are able to spend without seriously interfering with the civilian production necessary for their economic recovery. This amount is not, however, enough to furnish these nations the protection they need. Concentrating, as they are, on restoring their economic stability, they are unable to spare the plants and the materials required to bring their defense establishments up to the necessary levels. Furthermore, they are certain items essential for their defense which they are not equipped to provide for themselves. They have, therefore, come to us with urgent requests for assistance in providing the necessary margin of arms and equipment which will make them better able to repel aggression and mitigate the anxieties of their peoples.

I recommend that we supply these countries with assistance of three types: First, a limited amount of dollar aid to enable them to increase their own production of military items without impairing their efforts for economic recovery; second, the direct transfer of certain essential items of military equipment, and, third, the assistance of experts in the production and use of military equipment and the training of personnel. Such a program will enable these countries to acquire the elements necessary to their defense without hampering their recovery.

The military assistance which we propose for these countries will be limited to that which is necessary to help them create mobile defensive forces. Our objective is to see to it that these nations are equipped, in the shortest possible time, with compact and effectively trained forces capable of maintaining internal order and resisting the initial phases of external aggression.

At the present time, the military power which is the greatest deterrent to aggression is centered in the United States; three thousand miles away from Europe. It must be made clear that the United States has no intention, in the event of aggression, of allowing the peoples of Western Europe to be overrun before its own power can be brought to bear. The program of military assistance now proposed is a tangible assurance of our purpose in this regard.

Outside of Western Europe we are already engaged in a program of military assistance to Greece and Turkey. This program has been in effect since May 1947. The communist effort in Greece, in the form of a guerrilla war supported from abroad, has been condemned by the General Assembly of the United Nations. Our aid to Greece has checked this attempt to overthrow the political independence of a free nation. It is important that present gains against the guerrillas be maintained and that the operations be pressed to a successful conclusion. Only if this is done, can the economic reconstruction of Greece be accomplished.

In Turkey, our aid has lessened the burden of military preparations which the threatening pressure of the Soviet Union had imposed on a primarily agrarian economy. Although the Turkish defense system has been improved, additional equipment and maintenance parts are needed for the modernization of certain Turkish defense units.

We are also confronted by the necessity of making military assistance available in other areas of the world outside Europe.

In view of the use of surplus of United States military equipment has aided in improving the defensive effectiveness of the Indian Army and the maintenance of internal order. It is now necessary to provide certain additional items to round out

Trinity

July 25, 1949

CONFIDENTIAL: To be held in STRICT CONFIDENCE and no portion, except in full, is to be given out or published until the reading of the President's message has begun in either the Senate or House of Representatives. Extreme care must therefore be exercised to avoid premature publication.

CHARLES E. WESS
Secretary to the President

TO THE CONGRESS OF THE UNITED STATES:

To continue and strengthen our program for world peace and national security, I recommend that the Congress enact legislation authorizing military aid to free nations to enable them to protect themselves against the threat of aggression and contribute more effectively to the collective defense of world peace.

Such legislation is an essential part of our efforts to create an international structure capable of maintaining law and order among nations. Our prosperity and security, as well as that of others free nations depend upon our success in establishing conditions of international peace. Increased assurances against the danger of aggression are needed to support our international economic programs, and in particular the European Recovery Program, which are so vital to the building of a stable world.

Under the Charter of the United Nations, each member nation is bound to settle international differences by peaceful means, and to refrain from the threat or use of force against the territory of any country. Thus, in joining the United Nations, the nations have given their assent to the basic principles of international peace and security.

We have, however, learned the unfortunate truth that this obligation, by itself, is not sufficient at the present time to eliminate the fear of aggression and international violence. The record of world events since 1945 offers us no certainty that all members of the United Nations will uphold these principles of peace in actual practice. Indeed, there is proof to the contrary, proof that in the pursuit of selfish ends some nations have resorted and may again resort to the threat or use of force. The fear created by this experience haunts the world and creates conditions of insecurity and instability which stand in the way of economic and social progress.

To reduce this danger and to allay these fears, we have taken additional steps to reinforce the obligations of the Charter. Under the Pact of Rio de Janeiro and in the North Atlantic Treaty, we are creating a framework of mutual obligation to prevent international violence in the Western Hemisphere and in the North Atlantic area. These treaties provide support for the principles of the Charter of the United Nations.

Furthermore, even in the absence of such compacts, we have refused to tolerate assaults on the integrity of peace-loving nations whose conduct conforms to the principles of the Charter. We have given military as well as diplomatic aid directly to nations threatened by aggression. Through our aid to Greece and Turkey, we have recognized the fact that, if the principles of international peace are to prevail, free nations must have the means as well as the will to resist aggression.

As long as the danger of aggression exists, it is necessary to think in terms of the means required to prevent it. It is unfortunate that this is true. We cannot, however, achieve

(Over)

100-20217- for draft of message

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JULY 25 1949
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its returns. Advancing economic recovery will enable the free nations to sustain a larger share of the expense of their own defense measures. Progress toward a peaceful settlement of international differences will reduce the thrust of violence, and lighten the cost of preparedness. Ultimately, when the peaceful principles of the United Nations are fully realized, the protection of the peace may be assigned to the security forces of that organization.

If this program of military aid is to succeed, we must prosecute it promptly and vigorously. Our policies for peace are having the desired effect. We cannot afford to lose the momentum we have already gained.

One need only look back to the situation with which we were confronted two and one-half years ago to be convinced of the rightness of our course of action. At that time the free nations of Europe were not only exposed and defenseless, but they were also caught in an economic impasse which threatened the existence of their democratic forms of government. Europe, with its great storehouse of skills and its heritage of free institutions, seemed about to disintegrate and to fall piece by piece under the sway of totalitarian control.

The fact that such a disaster has been averted should inspire us with confidence in the ultimate triumph of the cause of peace and freedom not only in Europe but elsewhere in the world.

Like the North Atlantic Treaty, this program of military aid is entirely defensive in character. By strengthening the defense establishments of the free nations, it will increase the confidence of the peoples of the world in a peaceful future and protect the growth of world recovery.

I would not suggest that this program alone will bring present international tensions to an end. It will, however, preserve the initiative which the free nations of the world now have, and help to create a world structure so firm economically and militarily as to convince any potential aggressor nation that its own welfare lies in the direction of mutual tolerance and peaceful foreign relations.

HARRY S. TRUMAN

THE WHITE HOUSE,

July 25, 1949.

MILITARY ASSISTANCE PROGRAM

REPORT

OF THE

COMMITTEE ON FOREIGN RELATIONS

AND THE

COMMITTEE ON ARMED SERVICES

ON

H. R. 5895

AN ACT TO PROMOTE THE FOREIGN POLICY
AND PROVIDE FOR THE DEFENSE AND
GENERAL WELFARE OF THE UNITED
STATES BY FURNISHING MILITARY
ASSISTANCE TO FOREIGN NATIONS



SEPTEMBER 12 (legislative day, SEPTEMBER 7), 1949.—Ordered to be
printed, with illustrations

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MILITARY ASSISTANCE PROGRAM

SEPTEMBER 13 (legislative day, SEPTEMBER 2), 1949.—Ordered to be printed
with illustrations

Mr. CONNALLY, from the Committees on Foreign Relations and
Armed Services, jointly, submitted the following

REPORT

[To accompany H. R. 5895]

The joint committee made up of the Committee on Foreign Relations and the Committee on Armed Services, having had referred to it H. R. 5895 and S. 2388, report favorably H. R. 5895, striking out all after the enacting clause and substituting the final committee version of S. 2388, and recommend that it do pass.

I. INTRODUCTION

1. MAIN PURPOSE OF BILL

The purpose of this bill is to promote the foreign policy and provide for the defense of the United States by authorizing the appropriation of funds and contract authority to furnish military assistance to North Atlantic Treaty states (\$1,000,000,000), Greece and Turkey (\$211,370,000), Iran, Korea, and the Philippines (\$27,640,000), and the general area, China (\$75,000,000). The total amount involved is \$1,314,010,000. The program is for 1 year although the shipment of certain supplies and equipment will run into the second year. The bill provides adequate safeguards to protect the military reserves of our own defense establishment. Most of the assistance furnished will be used to promote an integrated defense of the North Atlantic area and to facilitate the development of defense plans by the Council and Defense Committee established under the North Atlantic Treaty.

2. COMMITTEE ACTION

Shortly after the ratification of the North Atlantic Treaty the President submitted to the Congress his recommendations concerning foreign military assistance. On July 27, the chairman of the Foreign

Relations Committee and six other Senators joined to introduce by request S. 2341 which was the original version of the proposed legislation. The following day this bill was referred to the Committees on Foreign Relations and Armed Services jointly, and thereafter committee consideration took place jointly with the two committees acting as a single committee. The Chairman of the Foreign Relations Committee served as chairman, and the chairman of the Armed Services Committee as cochairman. After a preliminary meeting and examination of the proposed legislation it was apparent that the committee did not approve several of the basic provisions of the draft bill. Consequently, a revised draft was sought from the Secretary of State and the Secretary of Defense. This revised version, which more nearly corresponded to the views of the committee, was introduced by the chairman of the Foreign Relations Committee and eight other Senators on August 5 and is known as S. 2388.

The committee held public hearings on August 8, 9, 10, 11, 17, 18, and 19, and it also had available the extensive hearings held by the Committee on Foreign Affairs of the House of Representatives. The committee discussed the bill in 17 executive sessions. During its deliberations testimony on the broad objectives of the legislation was heard from Hon. Dean Acheson, Secretary of State; Hon. Louis A. Johnson, Secretary of Defense; the Joint Chiefs of Staff; Hon. W. Averell Harriman, United States special representative in Europe; Hon. Henry F. Grady, United States Ambassador to Greece, and Vice Adm. Oscar C. Badger, commander, United States naval forces, western Pacific area. Details of the legislation and program were considered with other witnesses such as Dr. Lloyd V. Berkner, special assistant to the Secretary of State and chairman of the Foreign Assistance Correlation Committee; Hon. Ernest A. Gross, Assistant Secretary of State for Congressional Relations; Maj. Gen. L. L. Lemnitzer, the assistant to the Secretary of Defense for Foreign Military Assistance, and Mr. Edward T. Dickinson, Jr., of the Economic Cooperation Administration, who are also members of the Correlation Committee. The committee was able to avail itself of the additional information gained by the Joint Chiefs of Staff as a result of their recent trip to Europe.

The committee also heard 7 witnesses in public hearings and received statements for the record from 17 other groups and individuals. In view of the fact that many of the basic issues involved in the MAP had been thoroughly canvassed during the Senate's consideration of the North Atlantic Pact, and inasmuch as the full hearings of the Committee on Foreign Affairs of the House were available, the committee considered that additional lengthy hearings were not essential to a clear understanding of the problem.

When the committee began its deliberations there was a fairly wide area of disagreement on many matters. For the most part these differences were painstakingly reconciled and the bill now presented to the Senate represents what the committee regards as a compromise which is sound and workable, but which at the same time in no way weakens the basic purpose of the program.

On September 12, by a vote of 22 to 3, the committee agreed to report favorably H. R. 5895, striking out all after the enacting clause and substituting the final committee version of S. 2388 in lieu thereof.

3. PRECEDENTS FOR MILITARY ASSISTANCE

The committee points out that military assistance in peacetime is no radical departure in American foreign policy. On a number of occasions before this particular program was developed, we have helped various countries acquire the means of defending themselves. Since the close of hostilities in World War II, North Atlantic Treaty states have received military assistance having a value of \$430,408,000 calculated on original procurement cost. France and Italy have received certain combat material, spare parts and replacement items from United States Government stocks. The Permanent Joint Board on Defense has provided for collaboration between Canada and the United States since 1940 in the solution of mutual defense problems. Greece and Turkey have received military assistance to the value of \$423,200,000 under Public Law 457 of the Seventy-eighth Congress and Public Laws 75 and 472 of the Eightieth Congress. Of great importance to Iran has been the provision of war material, surplus to our requirements, but urgently needed by Iran. The United States and the Republic of the Philippines are joined together in an agreement which includes mutual interests in matters of common defense; material valued originally at \$132,310,000 has been transferred to that republic. About \$56,000,000 worth of equipment and supplies have also been transferred to the Republic of Korea. Likewise, China has been the recipient of a considerable amount of aid since VJ-day. Many of the republics of the Western Hemisphere have also received defense assistance through the detail of United States military missions to those countries and the purchase of surplus military equipment.

This assistance, however, has been sporadic and has been quite inadequate to restore the defense systems of the states involved to anything like the desired efficiency. There is a real need for a coordinated program of assistance which will be adequate and at the same time be consistent with our own defense needs in the event of an emergency. This program, which has been drawn up as a result of urgent requests for aid from various countries, is designed to meet that need.

4. THE MILITARY ASSISTANCE PROGRAM AND UNITED STATES FOREIGN POLICY

The committee believes that the proposed military assistance program is one which is essential to reach the objectives of the United States in foreign affairs. It is designed to support and strengthen other elements of our foreign policy with a view to the attainment of those conditions of peace and security in which the United States and the other free nations can endure and prosper.

This program cannot be considered as an isolated piece of legislation, unrelated to the whole of United States foreign policy. It is but one of a series of measures which have substantially contributed to the cause of world peace and security. We have sought collective security through the United Nations, and while so far blocked in that quest by Soviet intransigence, we have continued to lead in the movement for collective security. We have provided relief to war-torn areas and peoples. We have provided assistance to Greece and Turkey, whereby their independence has been maintained. We have engaged

Regional Security and MAP



ourselves with European nations in a gigantic effort to achieve economic recovery. It will also be recalled that in 1947 we approved the Rio Pact. Most recently, we have joined with eleven other nations in the North Atlantic Treaty. The military assistance program will sustain the momentum which has been achieved by these policies. The committee feels it is an essential step to carry forward the positive and vigorous action which the United States is taking in cooperation with other free nations to assure peace and security in the world.

II. AID TO WESTERN EUROPE

A. NATURE OF ASSISTANCE TO BE FURNISHED

Three types of assistance are proposed by the program. In this connection, the committee has insisted that such military assistance as this program authorizes be confined strictly to practical and well-integrated military plans. Accordingly, the plans showing the precise amounts and types of assistance to be provided, and the strategic and operational factors which influenced the allocations to the various countries, have been made available to the committee. This material is of a highly confidential nature, and it would be unwise to publish it as part of a public document. A brief discussion of the three general categories in which the various types of assistance may be placed is presented below.

To begin with, in many of the recipient nations their military units currently are equipped with American arms, munitions, transport, or communications. This equipment, however, is not complete, nor has it ever been properly overhauled, modernized, and repaired since World War II. Further, stocks of repair parts and accessories could not be maintained or properly balanced nor could shortages in major items be filled. As a result, the combat effectiveness of the various nations, measured against their proposed missions in the scheme of collective defense, has been adversely affected. In the meantime, we have some stocks of the required items available in our own inventories. The bill therefore proposes to authorize the transfer of such amounts of these items as, prior to such transfer, are mutually agreed upon as essential to equip these forces so as to insure their effective operation.

In addition to aid in the form of matériel, the bill contemplates that necessary services in the nature of technical assistance may be rendered. The repair, overhaul, and modernization of military equipment is a highly specialized field and requires technical skill of the highest order. Similarly, the operation and maintenance of modern equipment, and the technique of its employment, require highly trained personnel. The committee therefore felt that any matériel furnished would be wasted if provision were not made at the same time to insure that our technical know-how in this field were made available.

Finally, the program contemplates the furnishing of certain machine tools and materials which are essential to enable the recipient nations themselves to repair, overhaul, or produce certain of the items deemed to be necessary in implementing a common defensive strategy. This program was limited by the committee both as to scope and implementation by the insertion of section 104 as a committee amendment. In its present form it is considered adequate to meet the specific

plans contemplated by the executive branch, while at the same time making it fully apparent that this Nation is not fostering the building of a foreign armament industry.

6. STRATEGIC FACTORS

General Bradley pointed out in his testimony before the committee that a sound strategic plan for the defense of the North Atlantic area must be based on considerations of geographical position, industrial capacity, population, the will of the peoples, and their military capabilities. The committee has been repeatedly assured that the military assistance program for western Europe has been so planned as to make certain that it will aid in the development of that kind and amount of strength appropriate to the role which each country should play in a collective defense effort based upon the principles enunciated in General Bradley's testimony. The executive branch has also pointed out that the Brussels Treaty Powers have already agreed upon a plan for the defense of western Europe and, subject to the priority to be given economic recovery, are jointly engaged to the limit of their abilities in the creation of the defensive strength required by that plan. The committee was informed that our Joint Chiefs of Staff have examined this plan in detail and have found it to be in general consonance with United States strategic thinking. Further, it has been pointed out that the plans of the Norwegian, Danish, and Italian Governments, as reflected in the discussions which have taken place with them, indicate a determination upon the part of these countries to improve their strength and capabilities for the roles which would inevitably be theirs in the collective defense effort.

The committee, by its amendments of the bill, has indicated clearly its intention that any assistance provided to the nations of the North Atlantic Treaty must be used to promote integrated defense of the North Atlantic area and to facilitate the development of defense plans under article 9 of the treaty. These provisions are discussed in another section of this report.

7. COUNTRIES TO WHICH AID IS TO BE GIVEN

The program contemplates assistance for the countries which are parties to the Brussels Treaty, namely, the United Kingdom, France, Belgium, the Netherlands, and Luxemburg. This group of nations, as has been stated, have agreed upon a common defense plan; and the assistance program for these countries will be extended on the basis of common agreement with all of them as to its disposition and use. This will bolster what is the hard core of any western European defensive strength, by reason of their geographic position and the concentration of industrial resources therein. Most of the aid to this area will go to France.

Assistance is also to be extended to the Governments of Norway and Denmark. These countries which have courageously abandoned their historic policy of neutrality and joined with other free nations in an effort to obtain collective security sorely require assistance to improve and strengthen their military establishments. The type of assistance rendered will be that which is suitable to the logical and necessary roles of these countries in a collective defense effort.

most civilian-type items, as well as items which could be readily obtained from the local economy; restrictions on the supply of maintenance and replacement components and spares; and elimination of items of equipment whose operational value was questionable.

The screening process applied to the country requests resulted in the elimination of many items and major reductions in the quantity of many others. This brought about the reduction of the cost to the United States to a point within its means but still permitting military assistance on a scale capable of achieving the minimum objectives of the program.

15. PRICING POLICIES WHEREBY VALUE OF EQUIPMENT IS COMPUTED

One of the most important controls which this bill places upon the scope of the program rests on the fact that a definite system is prescribed for the pricing of equipment or other forms of assistance rendered under the provisions of the bill. To understand the effect of this pricing restriction, it is necessary to review briefly the general mechanics by which the program will operate.

The bill provides that military assistance contemplated by the program may be furnished either through grants from existing stocks, by new procurement, or by the providing of some forms of service. The President shall actually operate the program by allocating appropriated funds to existing Federal agencies, which agencies shall thereupon carry out the details of the program by making the actual grants, transfers, or similar transactions. Finally, the reimbursement section of the bill provides that the various agencies shall be reimbursed for items furnished from existing stocks, or make reimbursement where new procurement is involved.

In light of the foregoing, it is apparent that the bill sets up the mechanics of the procedure on a dollar basis. Consequently, if the Congress is to control the scope of the program, it must control the pricing policy by which dollars are converted into ammunition, weapons, vehicles, or other forms of assistance. In other words, the Congress must define the term "value" insofar as it relates to the price tag under which an article is to be conveyed. If that were not done, the Congress could not insure against possible hidden future expenses arising in cases where equipment is priced below its future replacement cost.

The original bill proposed that this dollar value would be assigned to the items and services under regulations to be promulgated by the President. The committee amended this provision of the original bill so as to spell out the policy which should govern in formulating such pricing regulations. Under this amendment, the value of "excess equipment," as the term is used in the bill, is fixed at the cost of its rehabilitation, and this rehabilitation cost is included in the amounts authorized by the bill to be appropriated. However, in order to limit the physical amount of the excess to be transferred, a dollar ceiling of \$450,000,000, computed at the actual gross cost or the average computed gross cost of the excess item rather than the rehabilitation cost, is set on transfers of such items. Thus, the limitations imposed by the amount of money to be appropriated for rehabilitation, supplemented by the dollar ceiling computed at initial cost, will permit excess equipment to be transferred without a prohibitive price tag, but at the same time will preclude the wholesale transferring of equipment which would have been possible had not a dollar ceiling been specified.

Congress until after the Senate had concluded its deliberations on the pact.

It will be recalled also, that article III of the North Atlantic Treaty commits the United States to the general principle expressed therein, namely to maintain and develop the individual and collective capacity of the participating countries to resist armed attack by means of continuous and effective self-help and mutual aid. As the Senate debate on the Atlantic Treaty clearly demonstrated, however, this does not bind the United States to approve the proposed program or any particular type of assistance.

The committee believes that the MAP, although separate from the treaty, will do much to supplement and strengthen it. Various witnesses from the executive branch testified that the aid contemplated would not impede formation of the pact organization envisaged under article 9 but would, in fact, accelerate its development. Moreover, the assistance furnished will be basic to any program developed by the Council and the Defense Committee and will thus mesh properly into the defense plans the pact nations as a whole may subsequently agree upon.

In view of our obligations under the pact the committee took steps to make certain that whatever action is taken now will be properly tied in to the pact defense mechanism. The bill (sec. 101) provides that any assistance to be furnished must be subject to agreements designed to assure such assistance will be used to promote an integrated defense of the North Atlantic area and to facilitate the development of defense plans by the Council and the Defense Committee under article IX of the North Atlantic Treaty. It further provides that after the United States Government has agreed with the plans recommended by the Council and Defense Committee, military assistance under this legislation must be furnished only in accordance therewith.

Another important amendment approved by the committee should be mentioned in this connection. Section 102 now provides that of the \$500,000,000 authorized to be appropriated for western European countries not to exceed \$100,000,000, shall be immediately available upon appropriation. The remainder would become available only after the President agrees to the recommendations of the Council and Defense Committee that the obligation and expenditure of the remaining \$400,000,000 for the purposes of the act will promote an integrated defense of the North Atlantic area, and will facilitate the development of defense plans by the Council and the Defense Committee.

Given the ratification of the Atlantic Pact, the committee does not believe it desirable to encourage the extension of assistance to countries of Western Europe on a bilateral basis at this time. It is believed that the committee amendments outlined above should greatly encourage the formation of common defense plans on a multi-lateral basis in accordance with the terms of the pact.

10. RELATIONSHIP BETWEEN MAP AND ERP

The military assistance program has been developed with constant attention to the primary need for economic recovery in Europe. The committee approves this approach on the ground that no nation or group of nations can hope to achieve a genuine peace unless they first

provide a way of life for their people based upon sound economic conditions.

It is also recognized, however, that no program for economic recovery today can proceed on the assumption that there is a guaranty of world peace without the accomplishment of mutual defense measures adequate to deter potential aggressors. Many, if not all, of the ERP nations are living in a state of insecurity brought about by a knowledge of the serious limitations on their ability to resist aggression. It is the conviction of the committee that as long as this feeling of insecurity exists, it will be extremely difficult to bring about any permanent measure of economic well-being. It is therefore felt that the European recovery program will receive an added stimulus from the atmosphere of security that a successful joint defense effort will engender.

Recognizing the fundamental interrelationship between the two programs ECA has participated actively in the formulation of the military assistance program. It has expressed its conviction that the program as presented to Congress will not have an adverse effect on the economic recovery program, but will, in fact, contribute to the recovery effort by achieving a greater degree of mutual cooperation among European nations and by stimulating within those nations a confidence in their ability to resist external and internal aggression.

The military-assistance program could possibly have an adverse effect on economic recovery in two ways. First, if the supplies of military equipment from the United States were furnished on too large a scale they might strain the fiscal ability of the receiving countries to put them to effective use, might call for the diversion of too much labor from productive occupations to service in armed forces, and might tax facilities for handling and caring for the equipment provided. The committee believes however that the program presented to the Senate, which will emphasize balancing and modernizing the equipment of forces already planned for, rather than any increase in those forces, will have little or no effect on the receiving countries' total economies.

A second possible effect would be an undue strain on the economies of recipient nations by virtue of too large an increase in indigenous military production. Additional military production on the scale presently contemplated, however, should have no significant adverse effect. The amounts of increased military production that various European countries are expected to undertake have been carefully measured against their budgetary ability to finance the costs involved. Both ECA and the OEEC have stressed that fiscal year 1950 must be the year of general financial stabilization. The added productive burdens which the North Atlantic Pact countries have agreed to shoulder were weighed with this objective in mind. Facilities already in existence in those countries, which can be readily put into production, are ample to make the agreed amounts of new equipment.

III. AID TO OTHER COUNTRIES

11. GREECE AND TURKEY

Title II authorizes the appropriation of not to exceed \$211,370,000 to carry out the provisions of Public Law 75, Eightieth Congress, as amended, under which assistance has been given to Greece and Turkey since 1947.

Greece.—American aid to Greece has been a tremendously important factor in the preservation of Greek independence during the past 2 years. It has prevented a complete break-down of the Greek economy and a collapse of the resistance of the Greek people to the foreign-supported attempt to impose a Communist regime in Greece. The political and strategic losses, without this aid, to the United States and the western democracies would have been very great. The prevention by our assistance of a Communist conquest of Greece has greatly encouraged other countries resisting Communist infiltration and has given them confidence in the determination of the United States to support them. According to Ambassador Grady, the outlook for the successful conclusion of the campaign against the guerrillas is more optimistic than at any time since the inception of the program. The committee has been heartened by this report. It feels that reduction in American support to Greek operations at this time would have a disastrous effect upon the momentum in the present military effort and would neutralize the gains made and prolong the struggle.

Aid will be continued to Greece in order to maintain the present fighting efficiency of the Greek armed forces and to protect the gains recently made. It is directed toward an early end to the warfare which would then permit a reduction in the need for future assistance. The program for Greece provides arms and ammunition, certain capital military equipment, maintenance, spares, and general supplies. Many items of capital equipment have been utilized for years and their continued maintenance has become either too difficult or too costly. Their prompt replacement from United States sources is indicated as the best and cheapest solution of the problem. They are necessary to bring the war to a successful conclusion and to leave the Greek Army with sufficient strength to maintain internal security thereafter.

Turkey.—The program of assistance to Turkey has been designed to increase Turkey's ability to maintain its territorial integrity and to continue its role as a stabilizing influence in the Near East. Equipment and training is being provided which will permit the Turks to have a smaller but more effective military establishment and one which will be within the ability of the Turkish economy to support. American aid is enabling the Turkish people to improve their national defenses, while concurrently taking measures which will ultimately strengthen their economy. It is clear that Turkey occupies a vital position in the security structure of the Middle East. The committee believes its maintenance as an independent, economically strong, socially advanced country is of prime importance to the United States.

The aid which has been given has produced an increased determination and ability on the part of the Turkish people to resist aggression which has been reflected in a reduction of Soviet pressures on that country. The proposed program will provide assistance to continue the present plans for modernization which is essential if Turkish armed forces are to be made fully effective. The transfer of limited amounts of modern equipment, maintenance, and spares for selected units of the Turkish armed forces is contemplated.

12 IRAN, KOREA, THE PHILIPPINES, AND THE GENERAL AREA OF CHINA

Title III authorized the appropriation of not to exceed \$27,640,000 so that the President may furnish military assistance to Iran, Korea,

and the Republic of the Philippines Islands whenever to do so will further the purposes and policies of the legislation. It further authorizes an appropriation of \$75,000,000 for aid to the general area of China.

Iran.—The committee concluded that it is in our national interest to assist Iran to maintain its independence, sovereignty, and territorial integrity. This objective conforms with the United Nations Charter and is specifically embodied in the Tehran declaration of December 1, 1943, subscribed to by the United States. Military aid to Iran is an effective means of achieving this objective. Such assistance is necessary to provide internal security against subversive elements and to discourage illegal incursions of Iran's extensive borders. Through a \$25,000,000 credit Iran has been obtaining from the United States surplus military equipment which has provided part of its needs. That purchase program should be rounded out if conditions of internal security are to be assured in Iran. Two United States military missions are in Iran at the request of the Iranian Government to assist in improving the efficiency of its military establishment. The proposed aid is designed to improve the combat effectiveness of the Iranian Army and to improve the efficiency of the Iranian gendarmerie in maintaining internal security. It will provide limited amounts of equipment required to establish balanced military forces, as well as spares and maintenance parts for American equipment now in Iranian hands.

Korea.—The proposals of military assistance for Korea envisage the furnishing of equipment, maintenance, and spares sufficient for the support of minimum constabulary, coast guard, and police forces.

The United States seeks to assist Korea to strengthen itself in order that it may successfully contain the threat of expanding Communist influence and control arising out of the existence in North Korea of an aggressive Soviet-dominated regime, and in order that it may serve as a nucleus for the eventual unification of the entire country on a democratic basis.

The people of the world, and those of the Far East in particular, are watching with interest the progress being made by the people of southern Korea under a democratic system and by those of North Korea upon whom another way of life has been imposed by the Soviet Union in defiance of the United Nations. The overthrow by Soviet-dominated forces of the government established in southern Korea under the aegis of the United Nations would constitute a severe blow to the prestige and influence of both the United States and the United Nations.

Military assistance, as proposed, would help the Koreans in training and equipping security forces to insure that they are capable of serving effectively as a deterrent to external aggression and a guarantor of internal order. The economy of southern Korea is such that without outside help this cannot be accomplished.

Philippines.—The United States and the Republic of the Philippines are parties to a treaty signed on the occasion of Philippine independence, July 4, 1946, which is based upon our mutual interest in matters of common defense. The United States is therein pledged to aid the Philippine Government in the training and development of its armed forces. Assistance has already been provided the Philippines under the provisions of Public Law 457, Seventy-eighth Congress, and Public Law 454, Seventy-ninth Congress. The assistance proposed in this

legislation will further implement the objectives of the latter act, which were to assist the Philippine Government in establishing and maintaining national security.

This assistance is needed to insure the ability of the Philippine Government to deal with subversive efforts now taking place in the guise of indigenous guerrilla uprisings. In the opinion of the committee, the maintenance of a free and independent government in the Philippines is a policy to which the United States is firmly committed. The Philippine Republic, simultaneously enjoying constitutional government, individual freedom, better economic health, and cultural growth, is a decided asset to American foreign policy throughout the Far East. If these conditions are to obtain, it is essential that the legally constituted government of the Philippines be able to exert its legitimate authority in the Philippines. This program will aid in that objective.

China.—Throughout its deliberations, the committee has kept in mind the over-all security interests and foreign policy of the United States and the goal of world-wide peace. Under such circumstances, the committee did not disregard the implications of the unsettled and complex situation in China and that general area. Having had the opportunity to examine and perfect the draft legislation, and to weigh various proposals, it appeared appropriate to authorize in section 303 an additional emergency fund of \$75,000,000 for the use of the President at his discretion on behalf of the policies and purposes of the act.

Section 303 is intended to vest in the President very broad authority to deal with the rapidly changing situation in China and that general area of the world. The special treatment of that area and the special character of section 303 result from the fact that the situation in that part of the world is quite different from the other areas to which assistance may be rendered. Thus while in the case of other nations the President is specifically authorized to furnish "military assistance," this section permits the expenditure of funds generally to accomplish in that general area the policies and purposes declared in the act by furnishing assistance of any character. Another unusual feature of the section is the fact that the President is not required to account for expenditures made, which sharply differentiates the section from the remainder of the act. Accordingly the other sections of the act are not applicable to activities under section 303 unless the President determines that they are consistent with the special objectives of the section. It is expected, of course, that the President will furnish the same type of reports to Congress as are required by section 410 with respect to other activities under the act, in as great detail as the President considers compatible with our security.

In view of the special character of section 303, the committee did not intend that the authority granted in section 408 (a) to provide procurement assistance on a cash basis is to apply to the recipients of assistance under the former section.

IV. THE UNITED NATIONS AND MAP

12. PROVISIONS IN THE LEGISLATION RELATING TO THE UN

The present program is a measure for collective defense and mutual assistance designed to enable free nations which are acting in support of the purposes and principles of the United Nations Charter to pre-

serve their independence and freedom and to fulfill effectively their obligations under the Charter. To the extent that it is successful it will strengthen the United Nations and assist in the fulfillment of the purposes of that organization.

There are numerous provisions in the bill which the committee believes underscore categorically the continuation of this country's support of the United Nations and our obligations under the Charter. That policy, as recently restated in Senate Resolution 239, is reaffirmed, and specific direction is also given so that maximum efforts are to be made to obtain agreements (1) on providing the UN with armed forces and (2) on universal regulation and reduction of armaments under adequate and dependable guaranty against violation. Clearly, this country will be subject to any future obligations which may arise with respect to action under article 26, which deals with the regulation of armaments.

Further, the agreements required before aid is furnished must include provisions that make certain the furnishing of equipment and materials, services, or other assistance is consistent with the Charter. Assistance is to be terminated if such aid contravenes any decision of the Security Council or if the President determines that such aid would be helping any nation against which the UN is taking preventive or enforcement action (sec. 404c).

In conclusion, there is no doubt that the program is consistent with the peaceful objectives of the UN and the inherent right of individual or collective self-defense recognized by article 51 of the Charter.

V. COST OF THE PROGRAM

14. COST TO THE UNITED STATES

The cost of the military assistance program, as formulated and presented to the committee by the executive branch, was expressed in terms of the financial burden which will be incurred by the United States to carry out this program. The budgetary outlays under the program will be made for four major purposes: (1) to reimburse the Department of Defense for military equipment which will be drawn from its war reserves and transferred to recipient countries on a grant basis; (2) to procure from new production in the United States items of military equipment for transfer to recipient countries on a grant basis; (3) to help in financing dollar imports of materials and machine tools needed for increased military production in western Europe; and (4) to meet costs of rehabilitation, delivery, technical and training assistance, and operating and administrative expenses.

The cost of the program, broken down by titles in the bill, is:

	Millions
Title I. European countries, members of the North Atlantic Pact....	\$1,000.00
Title II. Greece and Turkey.....	211.37
Title III. Iran, Korea, and the Philippines.....	27.64
General area of China.....	76.00
Total.....	1,314.01

The above dollar amounts reflect only the budgetary burdens on the United States. As is indicated in the section on value which follows, these dollar amounts do not provide an accurate measure of the amounts of military equipment which will be supplied to the recipient countries and, therefore, do not indicate the extent of United States concern in these countries.

MAP Estimated Net Cost (in millions of dollars)



Reduction in amount authorized

The committee reduced the amount requested for western Europe from \$1,160,990,000 to not exceed \$1,000,000,000. This reduction is roughly equivalent to the amount \$155,000,000, which the executive branch had earmarked in its original proposal to stimulate increased military production in the recipient countries. It had been intended that the money would be spent for three main purposes: (1) essential materials not obtainable outside the dollar area, (2) machine tools, and (3) reimbursements to certain participating countries for losses in exports to dollar areas which would result from an increased production of war materials and a correspondingly smaller production of exportable consumer goods.

The committee examined this whole problem very carefully. On the one hand, a majority of the members were reluctant to have the United States encourage the establishment of new arms plants in Europe. On the other hand, it was recognized that some of the countries are badly in need of certain materials and machine tools if their existing production facilities are to be made effective. As a result of the considerations, a satisfactory compromise was agreed upon.

While the committee decided to reduce the amount requested, it was agreed that the bill should contain no prohibition upon the expenditures of appropriated funds for either machine tools or materials. Consequently, considerable progress can be made under the program to stimulate increased military production in western Europe at a substantial saving to the American taxpayer. At the same time the committee agreed (sec. 104) that no funds should be utilized to aid in the construction of any factory or manufacturing establishment abroad or to provide equipment or machinery (other than machine tools) for any such factory or establishment. A similar prohibition was placed upon the expenditure of funds to pay for the operating costs or the compensation of personnel (with the exception of United States technical experts) for any such establishment. Finally it was agreed that none of the funds should be used to repay any government or any individual for losses they might incur as a result of decreased exports, or to pay any bonus or subsidy as an inducement for the increased production of military supplies.

Division of authorization into two parts

The committee recommend that the authorization for western Europe be divided into two equal parts. The first is an authorization for an appropriation of not to exceed \$500,000,000. Of this amount, not to exceed \$100,000,000 will be immediately available upon appropriation so that the program can get under way without further delay. Not to exceed \$400,000,000 of the amount, however, is to become available when the President agrees to the recommendations of the Council and the Defense Committee. By this conditional authorization, the committee intended to make certain that the expenditure of such funds will promote an integrated defense of the North Atlantic area and will facilitate the development of defense plans by the Council and Defense Committee.

In addition to the \$500,000,000 referred to above, the bill grants to the President contract authority to enter into contracts in amounts not to exceed \$500,000,000 during the period ending June 30, 1950. It is the understanding of the committee that a large part of the

supplies and equipment contemplated by the program will be contracted for this year but will not be available for delivery until next year. Since funds to pay for the equipment will not be needed until after June 30, 1950, the committee believe the provision for contract authority contained in section 103 adequately meets the situation.

Establishing priorities for MAP

In arriving at the proposed cost of the program, consideration was first given to selection of those foreign countries in need of military assistance and of critical importance to the over-all security interest of the United States. From this list of countries were deleted all those which could reasonably be expected to pay for military equipment coming from the United States, Canada, and the Latin-American countries being examples. The remaining nations on the list were those requiring military assistance on a grant basis, and it will be noted that each of them is currently receiving economic aid from the United States. Grant aid is made necessary by the fact that military expenditures are uneconomic in character, even though military security is essential to achievement of political confidence and economic progress. The United States could, of course, offer military assistance on a loan basis, but such assistance would make no measurable contribution to the capacity of the recipient country to service debt. Moreover, attempts to collect in future years on such unproductive and "dead-weight" debts would be likely to lead to ill will and friction in our international relationships. Consequently, where it is determined that countries are not in a position to purchase military equipment currently on a cash basis, and when it is deemed necessary in the interests of the United States that military equipment be supplied, such assistance should be extended on a grant basis.

Having determined the minimum number of countries requiring grant assistance, the executive branch next assigned priorities regarding both the urgency and the level of needs of those countries. Priorities were assigned on the basis of United States national interest, the size and composition of the foreign military establishments concerned, the role such establishments are expected to play in the defense of an area, the nature and extent of the net deficiencies in their military equipment, the ability of the countries concerned to absorb military assistance without placing excessive burdens on their economies or recovery efforts, and the availability of the needed equipment in the United States.

How the program was screened

Such considerations as those given above do not, however, achieve an itemized program of military assistance. To attain that degree of thoroughness, a fine screening had to be made of the itemized lists of military equipment submitted by the requesting countries. Certain lists were screened prior to transmittal to Washington. In the case of the Brussels Pact countries, these lists were examined by the western-union organization acting in consultation with United States observers. The lists of requirements for Greece and Turkey were prepared with the assistance of the United States military missions present there. In all cases, however, such lists of deficiencies in military equipment were screened again in Washington. Standards for the screening of these lists of requirements included such factors as limitations on the kinds of equipment to be provided; elimination of

Basic data on present level of defense effort of selected countries—Continued

National income				Budgetary data for calendar 1949 or fiscal 1950 (figures are in millions of dollars)					
Country	Popu- lation (in millions)	Net na- tional income at factor cost ¹	Percent of na- tional income in United States dollars	Total Gov- ern- ment ex- pendi- tures	Bud- getary sur- plus	Percent of ex- pendi- ture to total Gov- ern- ment ex- pendi- tures	Mil- itary ex- pendi- tures ²	Percent of mili- tary ex- pendi- ture to na- tional income	Percent of mili- tary ex- pendi- ture to total Gov- ern- ment ex- pendi- tures
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Non-western-union Atlan- tic Pact countries.									
Italy.....	45.4	\$6,257	\$705	\$ 347	1,962	71	894	9.3	26
Portugal.....	4.4	* 1,800	119	237	172	78	48	4.0	21
Norway.....	2.2	1,921	435	477	861	155	83	4.3	17
Denmark.....	4.2	2,290	399	446	612	110	62	2.9	14
Iceland.....	.14	* 124	119	33	27	121	(*)	(*)	(*)
Total.....	52.4	15,492	248	2,360	2,992	81	790	8.1	29
Non-Atlantic-Pact mili- tary assistance program countries									
Greece ³	4.1	(*)	(*)	392	343	82	114	(*)	30
Turkey.....	19.1	* 2,400	(*)	490	447	91	180	(*)	40
Iran.....	15.1	(*)	(*)	250	220	71	62	(*)	19
Republic of Korea.....	21.0	(*)	(*)	437	613	70	81	(*)	7
Philippines.....	16.7	(*)	(*)	140	147	104	30	(*)	24
Total.....	42.2	1,690	1,863	30	466	18

¹ Most recent estimate available; 1949 actual or 1949 estimate.² In general, expenditures on internal security forces are included; veterans' benefits and auxiliary functions of military departments are excluded.³ May include some supplementary forces.⁴ Roughly estimated order of magnitude for Portugal, Iceland, and Turkey, which have no national accounts figures.⁵ Negligible.⁶ Not available.⁷ Fiscal year 1948-49.

The committee believes it would generally be unwise for us to encourage any greater expenditures by the European nations for military purposes than those that have been planned, since to do so would, in the opinion of United States and European experts, tend to jeopardize economic recovery which is essential to military strength. The United States can, and will, however, encourage the continuance and development of the interchange of assistance among the European nations. There have been significant accomplishments along these lines, particularly in the Western Union, as was brought out in the testimony of Ambassador Douglas which is recorded in the hearings before the committee. Norway, Denmark, and Italy are no less definite in their commitments to this principle and in their intention to implement it to the maximum possible degree.

3. RELATIONSHIP BETWEEN MAP AND THE ATLANTIC PACT

The committee points out that while the program proposes assistance to eight of the Atlantic Pact members it was not originally submitted as an implementation of that pact. In fact it was conceived before the pact negotiations began and the two evolved as separate and distinct programs. In line with the suggestion of the Committee on Foreign Relations the President did not submit the MAP to the

As regards "nonexcess" items which require replacement, the value is fixed as the actual replacement cost. "Nonexcess" items which the Secretary of Defense certifies do not require full replacement are fixed either at the gross cost or the replacement cost, whichever the Secretary of Defense may specify.

16. ADVANCE FROM THE RFC

A relatively small advance of \$125,000,000 from the Reconstruction Finance Corporation is authorized until appropriations are made to carry out the provisions of this bill and the Greek-Turkish Assistance Act, so that operations under the program can begin as soon as possible.

VI. ADMINISTRATION OF PROGRAM

17. ADMINISTRATION IN UNITED STATES

In view of the nature of the program, the committee feel that it is logical that the primary responsibility and authority for direction of the foreign military assistance program be lodged in the President and under him the Secretary of State. The fact that this is a military program aimed at increasing the national security, however, makes necessary close participation by the Department of Defense in the making of program policies. Furthermore, it is essential that military assistance be so handled as to avoid interference with the foreign economic-recovery programs. Thus, the program also requires participation by the Economic Cooperation Administration. These principles have been applied to the planning for administration of the program.

The committee provided that there may be employed a Director of the MAP, who will be an officer of the Department of State, and three other top-level persons to assist the Director in the conduct of the program, all of whom are to be appointed by the President with the advice and consent of the Senate.

The committee took note of the plans for administration as submitted by the executive branch. With the Secretary of State as chairman, there will be established the Foreign Military Assistance Steering Committee, the other members of which will be the Secretary of Defense and the Administrator for Economic Cooperation. This committee will be responsible for fixing basic policies of the program and will report directly to the President.

For day-to-day consultative and working purposes, there will be the Foreign Military Assistance Coordination Committee, on which will sit designees of each of the members of the Steering Committee. The Chairman will be a newly created Special Assistant to the Secretary of State, who will be the Director for Military Assistance. This coordinating committee will serve as the advisory interdepartmental organization for dealing with MAP problems. It will provide guidance to the operating agencies in the development of plans and execution of program and will report on progress and recommend policies to the Secretary of State.

An essential feature in the administration of the military-assistance program will be the use to the greatest possible extent of existing agencies of the executive branch. Close cooperation among the various agencies is essential. The committee have been assured that this will be the case.

joined in the Inter-American Treaty of Reciprocal Assistance, could likewise avail themselves of this provision.

The effect of this particular provision of the bill is to enable these countries to procure on a cash basis military equipment and materials through the Department of Defense or, in certain cases, from other Government stocks. Technical advice and assistance in the application of the more advanced techniques and procedures can also be made available. The attainment of an effective and well-integrated improvement in the common defensive posture is thus facilitated, while at the same time enabling the cooperating nations to apply modern technological advances to their own military production efforts. Also, the policy of the United States to foster the concept of military cooperation among the American Republics for the common defense of the hemisphere is given additional impetus. Another of the advantages to the United States to be derived from this procedure is that it promotes the development of standardization of equipment and methods, and thus serves to increase the efficacy of joint operations in the event they become necessary.

The committee anticipates that in the implementing of this "cash-on-the-barrelhead" program, the requirements of the participating countries for equipment and materials will be integrated with the requirements of the countries receiving aid on a grant basis.

22. THE USE OF AMERICAN SHIPPING

In specifying the conditions under which assistance is being given participating countries under the terms of the European recovery program, the Foreign Assistance Act of 1948 provides that, as regards the utilization of United States shipping—

at least 50 per centum of the gross tonnage of commodities, procured within the United States out of funds made available under this subchapter and transported abroad on ocean vessels, is so transported on United States flag vessels to the extent such vessels are available at market rates.

This principle is retained in the pending bill by a committee amendment to title IV, adding to the original text a new section, section 409. This added section provides that when shipment of any tonnage from the United States on ocean vessels is involved in the implementation of the foreign military assistance program, at least one-half of the gross tonnage of either equipment or material shall be shipped in United States flag vessels to the extent such vessels are available at market rates.

23. DURATION OF THE PROGRAM

The committee is cognizant of the fact that the duration of a program for military assistance, like the duration of a program for economic assistance, is difficult to estimate with accuracy. The expenditures actually authorized by this legislation cover the period through June 30, 1950, with about half of the deliveries taking place after that date. With regard to the collateral program of providing procurement assistance for cash purchases by countries specified in titles I, II, and III or by nations which have joined with the United States in a collective defense or regional arrangement, and in the special case of section 303, no time limit is specified.

Council and the Defense Committee under article 9 of the North Atlantic Treaty.

Title II authorizes the appropriation of funds for the continuation of assistance to Greece and Turkey. Under the provisions of the act of May 22, 1947, as amended, which initially authorized the providing of aid to these countries, the President was required to conclude agreements prior to the furnishing of assistance. These agreements are unaffected by this act.

It is, of course, contemplated that these agreements will be registered with the United Nations as required by article 102 of the Charter.

20. EFFECTIVE USE OF EQUIPMENT

In addition to the agreements mentioned above, there are a number of means by which the United States will be able to assure effective use of military aid to foreign nations. First of all, there is provision in the legislation that the President shall terminate assistance if he should determine that the furnishing of assistance is no longer consistent with the national interest of the United States. Ineffective use of equipment might bring into force this provision of the bill.

United States personnel will be provided to be responsible for obtaining full information on the condition of equipment at the point of transfer and on its end use. The information on end use will be obtained by direct observation or by reports submitted by the using countries. This information will be submitted in regular reports from the United States embassies to the Director for MAP in Washington. A further guaranty of effective use of military aid lies in the plans for training. No equipment will be delivered unless in the estimation of the Department of Defense the recipient is capable of making proper use of it or requests training in its use. The training available to foreign recipients will be in the fields of employment, maintenance, tactical use, and supply of equipment. Some of the training will take place in United States service schools, while other training will be conducted abroad within the recipient countries.

It is the opinion of this committee that with proper application of the above available means the United States will be assured of effective use of the aid provided.

VII. OTHER PROBLEMS

21. MILITARY ASSISTANCE FOR CASH

The committee felt that, in addition to providing for military assistance in the form of grants or transfers to the countries designated in titles I, II, and III of the bill, this legislation should empower the President to provide additional military assistance on a reimbursable basis. Such a proposal should encompass not only the countries listed in the three titles mentioned, but also any other country which has joined with the United States in a collective defense or regional arrangement. Provisions to this effect are included in the bill as subsection 408 (e), and make it possible for Canada, which is joined with the United States in the North Atlantic Treaty, to strengthen her defenses by purchasing equipment, materials, or services from the United States. The American Republics, with which we are

18. ADMINISTRATION ABROAD

As in Washington, primary United States responsibility abroad logically belongs to the Department of State.

The executive branch has pointed out that because of the existence of the Western Union Organization and the early prospect of a North Atlantic Pact Organization, it will be advisable to establish a regional organization through which to deal with western European countries. The regional organization will consist of the European Coordinating Committee headed by the United States Ambassador to the United Kingdom. Its other members will be the ECA special representative for Europe and the senior United States military representative for MAP in Europe, the latter being designated by the Secretary of Defense. This committee, acting through an Executive Director for MAP overseas, will be responsible to the Secretary of State for the conduct of the program in western Europe. It will also recommend policies to the Secretary of State and will act to assure that European requirements are related to regional strategic planning rather than being uncoordinated requirements of individual countries. The Executive Director will be served by a small staff including persons detailed to it by State, ECA, and the Department of Defense, some of whom will act as observers to Western Union Organizations and others of whom will ultimately represent the United States in North Atlantic Treaty Organizations.

In each participating country, the committee is informed, the Chief of the United States diplomatic mission will be responsible for the activities under the program. Ambassadors in western European countries will receive guidance from the regional headquarters, while in other countries the Ambassador will report directly to the Department of State on all matters. The Chief of Mission in each country will be provided a special assistant for MAP to whom many of his day-to-day MAP responsibilities will be delegated.

19. INTERNATIONAL AGREEMENTS

The committee has provided that, prior to the furnishing of assistance to any nation or group of nations, the President is to conclude agreements with them. In addition to any provisions which the President deems necessary to carry out the purposes and principles of the bill, and to safeguard the interests of the United States, the agreements must, where applicable, provide for:

1. The use of assistance furnished in a manner consistent with the policies and purposes of the legislation;
2. Restriction against the transfer of title or possession of any assistance furnished without the consent of the President;
3. The furnishing of reciprocal assistance, consistent with the Charter of the United Nations, to the United States or other nations.

In the case of those countries mentioned in title I, which are members of the North Atlantic Treaty, it is further required by the legislation that the agreements must be designed to assure that the assistance will be used to promote an integrated defense of the North Atlantic area and to facilitate the development of defense plans by the

However, notwithstanding the limiting dates fixed by the bill, it is quite obvious that the question of the duration of the need for a program of the kind contemplated in this bill still remains, and that its answer is to be affected by many variables. As examples, the rate of economic recovery, the dominance and extent of the aggressive threat, strategic considerations and developments in methods of warfare are factors which have a decisive bearing on this problem. It is very unlikely that, at the end of this 1-year program, the recipient nations will not need further outside assistance. Secretary Johnson harbored the view that the program will extend over 4 or 5 years, but that the amount will become smaller in each subsequent year.

Without in any way seeking to minimize the fact that the world faces international developments which are unpredictable, the committee does not feel that the United States is committed by this legislation to a program of increasing dimensions. To emphasize this point, section 102 of the bill was amended by the committee so as to insure that no agreements are entered into which are beyond the scope of the proposal recommended herein. With the exception of aid to Greece, much of the assistance being provided is in the nature of durable equipment, which does not wear out and require annual replacement under peacetime conditions. In view of these factors, it is the feeling of the committee that favorable action on the pending measure does not in any way commit the Congress to future programs of similar character. On the other hand, such favorable action will not relieve future Congresses from dealing with the question of the extent to which the American people may find it in their interest to remedy the weakness of free nations, or whether the assistance granted by this legislation has resulted in self-help and mutual support on the part of the recipients.

14. TERMINATION OF THE PROGRAM

Notwithstanding the fact that it is impossible specifically to answer the broad question of how long world conditions will be such as to require some degree of military assistance and mutual support, the committee is of the opinion that the operation of the specific program proposed by this legislation should be definitely capable of prompt termination in case such action is necessary. Not only must it be possible for the President to effect such termination under certain conditions, but the Congress must also have specific recourse in this field.

With the foregoing in mind, the committee has provided in section 405 the several circumstances which would require the breaking off of all or a part of the program: (1) If a recipient requests that aid to it shall cease; (2) if the aid is no longer consistent with our national interest or the purpose and policies of this act; (3) if such aid contravenes a decision of the Security Council; (4) if the President determines such aid would violate our Charter obligation to abstain from helping a nation against which the United States is taking preventive or enforcement action; (5) if there is a concurrent resolution by the two Houses of Congress requiring termination. In addition, subsection 406 (f) represents an important requirement regarding termination by providing that any equipment or materials procured for signatories of the North Atlantic Treaty under title I may be retained for

our use, and shall not be disposed of to any foreign signatory, if the President determines such disposal will not promote the self-help, mutual aid, and collective capacity to resist armed attack as contemplated by the treaty, or if Congress calls for such retention by concurrent resolution.

The committee believes that these specific provisions for the termination of the program amply protect the interests of the United States.

II. THIS PROGRAM IS NOT AN ARMAMENT RACE

The committee is aware of the contention that this program marks the beginning of our participation in a global armament race.

The committee wishes to emphasize that it is not the purpose or the intent either of the United States or the other countries to whom assistance is proposed, to build up military manpower forces comparable in size to those of the Soviet Union. That nation has consistently maintained the largest military force in the postwar world, with over 3,000,000 men under arms. It has increased its military budget for 1949 by 19 percent over that of 1948; there has been progress in the training of its troops--the ground forces are estimated to be in better condition than at any time since the war; it has increased the security measures along its borders and the borders of its satellites. The Soviet force in Germany was recently increased from 70 to 100 thousand men. All of this activity demonstrated that in the face of the complete demobilization of the forces of the United States and the European nations, and without a competing program of military improvement, the Soviet policy has been and is to increase its military strength. This policy is apparently a deliberate one on the part of the Soviet Government and would exist whether or not a program of aid to free nations is undertaken by the United States.

Nevertheless, the committee holds to the view that the program of aid proposed seeks only to improve the effectiveness of forces supported by the budgets of the European nations, and cannot possibly provide the strength required to undertake aggression; the program is wholly defensive in nature. The United States remains committed to the purposes and principles of the United Nations and is fully ready to cooperate in any program of armament regulation worked out by the United Nations, as again stated in the present bill, if such program will provide adequate safeguards to assure the observance by all parties of any resolution or convention restricting armaments. It has been Soviet intransigence, not a reluctance on the part of the United States, which has so far prevented the accomplishment of such a program.

VIII. CONCLUSION

28. EFFECT ON THE SECURITY OF THE UNITED STATES

Throughout its consideration of this bill the committee has scrutinized the effect which the proposals herein recommended might have upon the security of the United States. The impact of a program such as this one upon our own military position might conceivably manifest itself directly, through a weakening of the United States military forces, or less directly, by contravening parts of our foreign policy.

In examining the effects of the program on our own military forces, the combined knowledge and experience of the Committee on Armed Services and the Committee on Foreign Relations has been applied. The detailed break-down of the aid program, showing types and amounts of matériel, has been available. It has been examined against the requirements of our own Military Establishment, both as they exist today and as they might exist in case of a mobilization. The committee feels that the equipment, matériel, and services to be provided by this bill are fully within the capabilities of the Nation, are geared to present inventories and strategic plans, and will in no way weaken the combat effectiveness of our own military units or forces.

As to the effects of the program on our foreign policy, the committee is confident that this legislation is sound. The declaration contained in the preamble to the bill clearly points out that the giving of this military assistance has been found necessary to further our national policy of fostering peace and security. The detailed provisions of the legislation are designed to assist free nations to achieve a greater degree of security without impeding their efforts toward economic recovery. The concept of developing collectively the capacity of the free nations of the world to resist aggression is basic both to the North Atlantic Treaty and to this bill, and the committee is firmly of the opinion that our own national security will be well served by the enactment of the legislation.

APPENDIX

SECTION-BY-SECTION ANALYSIS OF THE BILL

OUTLINE

TITLE I—NORTH ATLANTIC TREATY COUNTRIES

- Section 101. Authorization to President to furnish military assistance to North Atlantic Treaty countries to promote their integrated defense.
Section 102. Authorization of appropriations.
Section 103. Contract authority.
Section 104. Prohibition of use of funds to construct or maintain factories abroad.

TITLE II—GREECE AND TURKEY

- Section 201. Further authorization of funds for Greece and Turkey.

TITLE III—OTHER ASSISTANCE

- Section 301. Military assistance to Iran, Korea, and the Philippines.
Section 302. Authorization of funds for assistance to Iran, Korea, and the Philippines.
Section 303. Authorization of emergency fund for the general area of China.

TITLE IV—GENERAL PROVISIONS

- Section 401. How assistance will be provided.
Section 402. Bilateral agreements.
Section 403 (a). Allocation and availability of appropriated funds to Government agencies.
Section 403 (b). Reimbursement of Government agencies.
Section 403 (c). Definition of term "value" in connection with reimbursement to Government agencies.
Section 403 (d). Limitation on transfer of excess equipment.
Section 404. Delegation of authority by the President.
Section 405. Termination of assistance by the President.
Section 406 (a). Waiver of employment settings.
Section 406 (b). Assignment of members of armed forces to noncombatant duty.
Section 406 (c). Employment of technical experts and engineering consultants.
Section 406 (d). Waiver of Federal statutes regarding prosecution of crimes.
Section 406 (e). Employment of personnel without regard to Classification Act.
Section 407 (a). Atomic Energy Act of 1946.
Section 407 (b). Waiver of certain Federal statutes imposing restrictions on transfer of military.
Section 408 (a). Reimbursement Finance Corporation advance.
Section 408 (b). Funds for administration of the act.
Section 408 (c). Transfer of funds among the various titles of the act.
Section 408 (d). Use of local currency.
Section 408 (e). Reimbursable aid to other countries.
Section 409 (I). Retention by the United States of materials and equipment.
Section 409. Transportation of equipment and materials on United States-Bag vessels.
Section 410. Reports.
Section 411. Definitions.
Section 411 (a). Definition of equipment and materials.
Section 411 (b). Definition of mobilization reserve.
Section 411 (c). Definition of excess.
Section 411 (d). Definition of services.
Section 411 (e). Definition of agency.
Section 411 (f). Definition of armed forces of the United States.
Section 411 (g). Definition of nation.
Section 412. Separability.

SECTION-BY-SECTION ANALYSIS OF H. R. 5835, FOREIGN MILITARY
ASSISTANCE ACT OF 1949

TITLE I—NORTH ATLANTIC TREATY COUNTRIES

*Section 101. Authorization to President to furnish military assistance
to North Atlantic Treaty countries .*

This section authorizes the President to furnish military assistance to those countries which are parties to the North Atlantic Treaty and have requested such assistance. The countries which have made such requests are the United Kingdom, France, Belgium, the Netherlands, Luxembourg, Norway, Italy, and Denmark. Since neither Portugal, Iceland, nor Canada has requested military assistance they will not be eligible to receive military assistance requiring financial aid and will therefore not receive anything by virtue of this section. They are, however, eligible to receive procurement assistance under the provisions of section 408 (c) by making full payment for such military equipment and supplies as they wish to procure from the United States.

This section recognizes that there will be established under the North Atlantic Treaty a Council and a Defense Committee which will develop common defense plans for the North Atlantic area and that an immediate increase in the integrated defensive strength of the parties to the treaty will facilitate the work of the Council and the Defense Committee.

This section requires that assistance shall be furnished subject to agreements which will assure that such assistance will promote the integrated defense of the area and facilitate the development of the defense plans under the treaty. After the United States has agreed with these plans, military assistance may be furnished only in accordance with such plans.

Section 102. Authorization of appropriation

This section authorizes an appropriation of \$500,000,000 for the purposes of assisting the North Atlantic Treaty nations for the period through June 30, 1950. Of this amount \$100,000,000 will be available as soon as it is appropriated. The remaining \$400,000,000 will become available when the President of the United States agrees to the recommendations of the North Atlantic Treaty Council and Defense Committee that the use of such funds for the purposes of the act will promote an integrated defense of the area and facilitate the development of the defense plans of the Council and Defense Committee. This section also makes it clear that the President may not agree to any recommendations involving commitments and expenditures under this act in excess of the amounts authorized in this section. Furthermore, this section prohibits representatives of the United States from committing the United States to military assistance beyond the amounts authorized in this act.

The cost of administering titles I, II, and III will be met out of funds made available by authority of section 102. This is provided for in section 408 (b).

Section 103. Contract authority

In addition to the appropriation authorized in section 102, the President is given authority by this section, within the limits of

specific contract authority which may hereafter be granted to him, to enter into contracts for the procurement and furnishing of assistance to North Atlantic Treaty countries in an amount not exceeding \$500,000,000 for the period ending June 30, 1950. The section also authorizes the appropriation of the funds necessary to liquidate such contract obligations after June 30, 1950.

Section 104. Prohibition of use of funds to construct or maintain factories abroad

This section contains several specific prohibitions on the use of the funds made available under this act in connection with any programs of new or increased military production abroad. In the first place, funds may not be used to construct or aid in the construction of a factory or other manufacturing establishment outside the United States. Similarly, while machine tools may be furnished, the funds may not be used to apply other equipment or machinery for foreign factories. Furthermore, none of the funds may be used to defray the maintenance costs for a factory outside the United States.

While it was recognized that programs for additional military production in western Europe might divert raw materials and labor from the production of civilian goods which would be available for export and which thus would earn foreign exchange for the exporting country, it was not felt wise to provide any compensation for such loss of foreign exchange through funds authorized under this act, even though the loss of such exchange might impinge on the economic recovery effort of such country. Therefore, this section prohibits the use of funds made available under this act for the purpose of compensating for the indirect impact on economic recovery resulting from such loss of foreign exchange. Likewise prohibited is the use of funds for payment of subsidies, bonuses or other forms of payment to any factory owner to induce him to undertake or increase military production. Lastly, funds may not be expended to pay for personal services rendered in or for any factory outside the United States, except to pay United States officers and employees for technical services rendered (a) to establish or maintain production in such factories (b) to carry out the purposes of the act and (c) in conformity with desired standards and specifications. These specific prohibitions on the use of funds are not intended to foreclose other methods of assistance by the United States in temporary aid of the production of equipment and materials abroad as part of the self-help efforts made by nations receiving assistance under this act.

TITLE II—GREECE AND TURKEY

Section 201. Further authorization of funds for Greece and Turkey

12
Title II of the act authorizes the continuation of assistance to Greece and Turkey to the amount of \$211,370,000 under the original Greek-Turkish Assistance Act of May 22, 1947, through June 30, 1950. Where the provisions of this act are to apply to operations under the Greek-Turkish Assistance Act of May 22, 1947, it is so specified in the legislation. The amount authorized for aid to Greece and Turkey under this section takes into account the fact that \$50,000,000 has already been authorized for such assistance during the current fiscal year.

TITLE III—OTHER ASSISTANCE

Section 301. Military assistance to Iran, Korea, and the Philippines

This section authorizes the president to furnish military assistance to Iran, the Republic of Korea, and the Republic of the Philippines, whenever such aid will further the policies and purposes of the act. The provision of assistance to the Philippines which has been taking place under Public Law 454, Seventy-ninth Congress, will in the future take place under this title.

Section 302. Authorization of funds for assistance to Iran, Korea, and the Philippines

Under this section the sum of \$27,640,000 is authorized to be appropriated for furnishing assistance to Iran, the Republic of Korea, and the Republic of the Philippines for the period through June 30, 1950.

Section 303. Authorization of emergency fund for the general area of China.

This provision authorizes the appropriation of \$75 million which may be expended in the discretion of the President for any feasible programs which he determines will contribute to the accomplishment of the policies and purposes of the act in the general area of China. Funds appropriated under this section are to be in addition to other funds provided as an emergency fund for the President and exemption is granted from the customary requirements of accounting for the expenditure of Government funds.

TITLE IV—GENERAL PROVISIONS

Section 401.—How assistance will be provided

This section defines the nature of the assistance which may be afforded to the nations eligible under the act. It also provides that such assistance may be rendered without charge or in consideration of any benefit to the United States that may be mutually agreed to in the negotiation of the agreements. Assistance will be rendered only in the form of materials, equipment, and services and not in the form of funds turned over to other nations.

No equipment or materials may be taken from stocks held by the United States armed services unless the Secretary of Defense, and the Joint Chiefs of Staff, determine that the transfer of such material would not be detrimental to the national security of the United States.

Under the authority of this section, the President may procure or provide for the procurement of the equipment and materials or of services from any source. This means that procurement may be effected from sources outside the United States as well as from United States sources. Procurement is also authorized out of Government stocks.

The authority to procure from any source includes the authority to divert equipment and materials in production under existing Government contracts, if such material is determined by the President to be necessary for the purposes of this act. Under the authority in this section to procure equipment and materials, and to provide services, the President could manufacture, produce, process, store, transport, repair, or rehabilitate equipment or materials for any eligible nation and he could provide for the performance of any other services.

drawn at any given time from Government inventories, within the limitations described above.

Section 404. Delegation of authority by the President

The purpose of this section is to authorize the President to delegate the authority to carry out this act to such agency or officer of the Government as he may deem appropriate. He may not, however, delegate—

(a) The responsibility under section 403 of terminating assistance under the circumstances specified therein, and

(b) The authority of clause (2) of section 497 (b) to perform functions under the act without regard to the provisions of the Neutrality Act (the joint resolution of November 4, 1939 (54 Stat. 4), as amended).

Section 405. Termination of assistance by the President

While the President is free to withdraw any or all assistance authorized by the act at any time, this section specifically directs him to withdraw any or all assistance under any of the following circumstances:

(a) In view of the fact that assistance is to be rendered only on request of a nation, provision is made that it is to be withdrawn if so requested by a recipient nation.

(b) The President is to withdraw any or all assistance to any nation if he determines that the furnishing of assistance to that nation would no longer be consistent with the national interest of the United States or the policies and purposes of this act. The reference in this provision to the policies and purposes of the act means that if any country is, for example, taking action inconsistent with the purposes and principles of the United Nations Charter, the President might determine that such nation was not "dedicated" to those purposes and principles and therefore no longer eligible to receive military assistance under the terms of the "findings and declaration of policy" of this act.

(c) If such assistance would contravene a decision of the United Nations Security Council or if the President determines that the continued furnishing of assistance would be inconsistent with the obligations of the United States under the Charter of the United Nations to refrain from giving assistance to any nation against which the United Nations is taking preventive or enforcement action.

The language of section 405 (c) does not require the President to withdraw assistance from any nation unless the United Nations is taking preventive or enforcement action against that nation.

Section 406 (d). Termination of aid by concurrent resolution

This subsection provides that assistance to any nation may be terminated by concurrent resolution of the two Houses of Congress. In that event, funds made available under the act will remain available for 12 months from the date of termination to cover expenses of liquidating contracts, obligations, and operations under the act.

Section 406 (a). Waiver of employment ceilings

This subsection specifies that employment of personnel for service in the United States is not subject to numerical personnel limitations imposed by section 14 (a) of the Federal Employees Pay Act of 1946,

the agency to which such funds are allocated. Any special liberty of action available to the latter agency in procuring for its own use would also be available when it undertook procurement for the purposes of this act. The last clause would permit, for example, the obligation and expenditure of funds within such periods of time as may be otherwise authorized by the appropriation act relating to the agency to which such funds may be allocated. It would also permit the expenditure of funds provided under this act for payment of Foreign Service officers assigned to duty under this act.

Section 403 (b). Reimbursement of Government agencies

The provisions of this subsection will come into play when there is utilized for the purposes of this act material or equipment in the stocks of the armed forces of the United States or held by other agencies. Under the authority of this section, the funds available for the purposes of this act will be used to reimburse the agency from which the material is taken. Reimbursement will also be made when services are provided by agencies of the Government. When material or equipment is transferred under the authority of this act, the reimbursement will be measured by the value of the articles as defined in section 403 (c). When the material is procured or transferred under the authority of section 408 (a) and the recipient nation pays therefor, the amount to be paid and reimbursed will be the full cost of such equipment, material, or services. When the agency involved receives the reimbursement authorized by this subsection, it may use the funds in accordance with the final sentence of the subsection, under the authority generally applicable to the appropriations, funds, or accounts to which they are credited, and expenditure of those appropriations. Thus, if the agency may normally waive certain restrictive laws in expending its own funds, it may waive such laws in expending funds received as reimbursement under this subsection. In the case of reimbursements made to the Economic Cooperation Administration, it may thus use such funds for any purposes for which its appropriation is authorized to be used in carrying out the Foreign Assistance Act of 1948, as amended. In the case of reimbursements made to the Department of Defense, it may use such funds to replace either the same equipment and materials as may have been so made available, or any other equipment and materials which fall within the same general category, or equipment and materials which it is otherwise authorized to procure. The legislation thus permits the use of the procedures and facilities of the Economic Cooperation Administration without hampering its operations under the European recovery program and also assures the maintenance by the Department of Defense of adequate and appropriate military stocks. It is intended that the phrase "same general category" should be construed broadly so as to facilitate maintenance of adequate modern military stocks. Categories that could be established under this provision would be, for example, weapons, including combat vehicles, general-purpose vehicles; aircraft, including maintenance spares; etc.

Section 403 (c). Definition of term "value" in connection with reimbursement to Government agencies

The value of articles transferred becomes extremely important in the case of equipment and materials transferred from Government stocks, both to provide a standard for reimbursement to agencies

furnishing such equipment and materials and to provide a monetary standard by which the amount of aid actually rendered may be measured. Articles which become excess to the needs of the armed forces do not need to be retained in stock, nor do they require replacement if disposed of. Accordingly this subsection provides that the value of excess equipment or materials is the gross cost of repair, rehabilitation, or modification of such materials. The value of equipment and materials which are not excess to the needs of the armed forces depends on the need fully to replace such equipment or materials in the mobilization reserve. If the equipment or materials are needed for the mobilization reserve, then their value is the cost of procuring for the mobilization reserve an equal quantity of such equipment or materials or an equivalent quantity of equipment or materials of the same general type. If, however, the Secretary of Defense certifies that such materials need not be fully replaced in the mobilization reserve, then their value is their gross cost to the United States or their replacement cost, whichever the Secretary of Defense may specify. Equipment or materials newly procured for the purposes of this act are valued at their gross cost to the United States. The basis for determining the cost of equipment or materials may be either the actual cost of particular items transferred under the bill or the average cost of the items, whichever may be administratively more feasible.

Section 403 (d). Limitation on transfer of excess equipment

As has been noted in connection with the previous subsection, excess equipment and materials may be furnished under this act at the cost only of its repair, rehabilitation, or modification. This subsection fixes a limit of \$450,000,000 on the amount of such excess equipment which may be transferred. For this purpose the limitation on excess equipment which can be transferred is based on either its original actual or average cost to the United States.

The last sentence of this section expresses the policy of the committee that excess equipment and materials shall be distributed equitably among the various nations eligible to receive assistance under the act, with due regard for the programs of military assistance operated under the act. The limitations on the amount of equipment or materials which may be furnished to the three groups of countries designated in the three titles of the act is expressed in dollar amounts. Since, however, excess equipment will be charged against these dollar amounts only for the cost of the repair, rehabilitation, or modification of such equipment, it was deemed advisable to express the committee's policy that distribution of such equipment shall not be so arranged as to discriminate unduly among the three groups. The expression "with due regard to the programs of military assistance operated under this act" recognizes that the allocation of all equipment and materials, including excess equipment and materials, among recipient nations must be determined on the basis of the contribution which each piece of equipment can make to the objectives of the act if in the hands of one particular recipient nation. It also recognizes that priorities among recipient nations will accordingly vary, and that the changing needs of the recipient nations for items which are declared excess from time to time will vary widely. It is expected, however, that the same pricing policies will be uniformly applied to all items

that would further the policies and purposes of the act. In performing or providing for the performance of these functions, the President may use facilities of the Government, such as arsenals, shipyards, or factories, as well as facilities of private industry.

Section 401 also authorizes the transfer of equipment, material, and services. "Transfer" is the act of transferring title or making delivery of an article, or of actually rendering a service. At the time of transfer, assistance is deemed to have been rendered, and a record of such assistance is entered for purposes of preparing reports of progress of operations under the act. The authority to transfer does not, of course, waive any of the provisions of export-control legislation. The normal procedures relating to export control will, to the extent directed by the President, be applicable to the export of any equipment and material provided under this act to recipient nations.

Section 402. Bilateral agreements

This section requires the President, prior to the furnishing of assistance to any nation, to conclude an agreement with such nation. Such agreements may be either with one country or with a group of countries, depending on the circumstances. It is realized that the content of the agreement may well vary from nation to nation. Therefore, the decision as to what provisions should be included in any such agreement will rest on the President's determination as to what is essential with respect to each particular agreement to effectuate the policies and purposes of the act and to safeguard the national interests of the United States. It should be noted that, with respect to Greece and Turkey, no new agreements are contemplated, as the bilateral agreements heretofore entered into under Public Law 75, Eightieth Congress, will continue in effect.

In addition to the requirement of section 401 that such agreements must assure that the assistance furnished will be used to promote an integrated defense of the North Atlantic area and facilitate the development of defense plans under the North Atlantic Treaty, subsections (a), (b), and (c) set forth certain specific conditions which must be included in appropriate language in each agreement. Under subsection (a) a recipient nation would be required to undertake to use the assistance furnished under the act in a manner in furtherance of the policies and purposes of the act as set forth in the preamble. Under subsection (b) a nation receiving assistance would agree not to transfer the title or possession of any equipment, materials, information, or services made available under this act without the consent of the President. Such consent could be given either on a case-by-case approach or on a blanket-license basis, as, for example, may be proved desirable in the case of transfers among Atlantic Pact countries. Under subsection (c) recipient nations would agree to furnish reciprocal assistance to the United States or to other governments in furtherance of the policies and purposes of the act.

Section 403 (a). Allocation and availability of appropriated funds to Government agencies

Subsection (a) of this section authorizes the President to allocate to any agency for expenditure the funds made available for any of the purposes of this act. It provides that such funds are to be available for obligations and expenditures consistent with the authority granted in this act or under the authority governing the activities of

as amended, if the President determines such employment to be necessary to carry out the act.

Section 406 (b). Assignment of members of armed forces to noncombatant duty

This subsection exempts members of the armed services from the provisions of Revised Statutes 1222, thereby permitting them to be assigned or detailed to civilian employment with any agency or nation without losing their armed-force rank and status.

Section 406 (c). Employment of technical experts and engineering consultants

This subsection authorizes the employment, by any agency performing functions under the act, of technical experts and engineering consultants, but not to exceed 15 persons at any one time. This provision is essential to enable the administration to obtain temporary services of experts without the delays incident to the normal procedures under the Civil Service and Classification Acts. Individuals so employed may be compensated at rates up to \$50 per day. Their right to receive travel expenses and additional per diem in lieu of subsistence and other expenses and subsistence will be governed by the regular statutes and regulations pertaining to that subject.

Section 406 (d). Waiver of Federal statutes regarding prosecution of claims

The purpose of subsection (d) is to make it possible for persons to serve as technical experts or engineering consultants under the authority of subsection (c) of this section, despite the participation of such a person in activities as a part of his private business operations, which would bring him within the prohibition of certain Federal laws. For example, under existing legislation it is unlawful for a person to have a significant interest in a claim being prosecuted against the Government while such person is serving as an official or employee of the Government. This exception, which has proved helpful in connection with the ECA, permits the employment of experienced men in the business community. The exception, however, does not extend to the receipt of compensation in respect of any particular matter in which an individual was directly involved.

Section 406 (e). Employment of personnel without regard to Classification Act

This subsection is intended to assure that top-level personnel may be employed without undue delay. The one person authorized at a salary not to exceed \$15,000 is expected to be the officer of the Department of State charged with the general administration of the program. He and three other persons to be appointed at salaries not to exceed \$15,000 will be appointed by the President by and with the advice and consent of the Senate. Since the act itself specifies the salaries that may be paid to these four persons, the provisions of the classification laws will not apply to them.

NOTE.—In section 11 (c) of S. 2341, for which S. 2388 was substituted, there appeared a provision covering claims based on the use of patents and information in connection with procurement under the act. Section 1493 of title 28, United States Code, like its predecessor section 68 of title 35, United States Code, operates to prevent the owner of a patent from enjoining the

United States Government from using a patented invention. The owner's remedy, under section 1498, is limited to suit in the Court of Claims for recovery of his "reasonable and entire compensation." This section, however, applies to use or manufacture "by or for the United States." There have been some claims asserted in connection with foreign-aid programs, such as lend-lease, that articles transferred to foreign governments under such programs were not used "by or for the United States." It was the purpose of section 11 (e) of S. 2341 expressly to specify that the exclusive remedy of a patent owner is suit in the Court of Claims in a case where a patent is infringed in connection with the program. However, since it is clear with respect to patents that procurement under this act will be "by or for the United States" as that expression is used in section 1498, it is unnecessary to include the proposed provision. Section 1498 will protect operations under this act from the type of harassment from which it protects regular procurement operations of the armed forces.

Section 407 (a). Atomic Energy Act of 1946

This subsection is self-explanatory.

Section 407 (b). Waiver of certain Federal statutes imposing restrictions on transfer of military equipment

Under existing law no equipment and material of the armed services may be made available unless certified as not being required for the defense of the United States by the Chiefs of Staff of the Army and Air Force, and the Chief of Naval Operations. Since, under section 401, no equipment may be transferred out of military stocks unless the Secretary of Defense and the Joint Chiefs of Staff determine that the transfer thereof would not be detrimental to the national interest of the United States, it has been deemed advisable to waive the existing requirements. Clause (2) permits a waiver of portions of the neutrality laws that might be interpreted as prohibiting activities deemed essential to accomplish the purposes of this act.

Section 408 (a). Reconstruction Finance Corporation advance

It is particularly important that the flow of finished military items begin as soon as possible. Even with respect to equipment and materials that are already available, some time must be allowed for reconditioning, packing, and internal transportation to the port of shipment. Therefore, it is important that with the passage of the authorizing legislation these necessary activities be undertaken without delay. For this reason authority is given to the Reconstruction Finance Corporation to advance sufficient funds to permit operations to start pending an appropriation.

Section 408 (b). Funds for administration of the act

This section directs that the administrative expenses of carrying out this act and of the Greek-Turkish Assistance Act of May 22, 1947, shall be taken from the funds made available under title I (sec. 102). Whenever possible administrative expenses shall be paid for in local currency.

Section 408 (c). Transfer of funds among the various titles of the act

Under the terms of this provision, authority is given to the President to meet an emergency situation that might arise in connection with assistance for any of the countries eligible for aid under this act. If, at a time when all the funds authorized under one of the titles of the act have been obligated, one of the countries described in that title should, because of unexpected and urgent circumstances, require additional assistance, it would be possible to utilize for that purpose unobligated funds made available under one of the other titles. Because conditions in the world today change quickly as a result of unforeseen occurrences, it has seemed wise to allow this amount of flexibility in the administration of the programs.

A limit of 5 percent in the aggregate is placed on the authority of the President to transfer funds allocated for the purpose of one title for those of another title. Whenever any such transfer is made, notification must be given to the appropriate congressional committees. This section would not permit, of course, the transfer of any such funds to furnish assistance to any nation not specifically covered in titles I, II, or III.

Section 408 (d). Use of local currency

It is expected that the United States will receive local currencies from nations receiving aid under this act to cover, in whole or in part, the administrative expenses of the United States incurred in the country involved in carrying out the purposes of this act. For example, the expenses of the United States mission sent to that country in connection with operations under the act might be paid out of such local currency. Amounts remaining after payment of such expenses may be used only as provided by law.

Section 408 (e). Reimbursable aid to other countries

This subsection is designed to assure the availability of authority to sell to or to place procurement contracts for equipment to be transferred to any foreign government described in the act or to other nations which are now or hereafter joined with the United States in collective defense and regional arrangements. This authority is important in cases where a country, ready to pay for an article, is nonetheless unable to procure it in the United States because of procurement difficulties. In some cases the production facilities may be fully occupied in producing for the United States, and a foreign government would find it impossible to get its order filled in any reasonable time. In other cases the item may be out of production and the only source, at reasonable cost and in a reasonable time may be United States Government stocks. Under this subsection the President is given authority to use the procurement facilities of the Government for the benefit of nations which agree to pay the full cost of the articles procured for them.

Equipment and materials procured under this subsection in practically all cases will meet United States Government specifications or will be otherwise fully usable by our own armed forces. Advance payments will be required in amounts sufficient to cover the actual cost of items already in stock or the estimated cost of items for which

contracts must be let, or for which actual cost may not be known. The recipient nation will also be required to agree to make an immediate deposit, on demand, of any additional costs that may be incurred in the procurement. In the remote contingency that the recipient nation should not pay the additional cost of the item when it is ready for delivery, the items may be disposed of for use by another country or by the United States armed forces. It is not the intent of the legislation to require that funds be set aside from appropriations authorized under this act to liquidate contract obligations entered into under this subsection. The funds made available by the other nations will be used under section 403 (e) to discharge the contract obligations or to reimburse, as provided in subsection 403 (b), any United States agency from whose stocks material may be drawn.

Section 408 (f). Retention by the United States of materials and equipment

This subsection provides that the President may retain equipment and materials instead of disposing of them to a North Atlantic Treaty country whenever, in his judgment, disposal to that country will not promote the self-help, mutual aid, and collective capacity to resist attack contemplated by the treaty or whenever such retention is called for by concurrent resolution by the two Houses of Congress. In the event that equipment or materials are thus retained they may be transferred to and used by such agency of the United States as the President may determine.

Section 409. Transportation of equipment and materials on United States flag vessels

This section directs the President to take such steps as may be necessary to assure that so far as practicable at least 50 percent of the gross tonnage of equipment and materials procured within the United States and transported abroad by vessel is transported on United States flag vessels to the extent that these vessels are available at market rates.

Section 410. Reports

This section assures that the Congress and the public will be kept currently informed of operations under the act. Information on operations which the President deems incompatible with the security of the United States to disclose, need not, however, be disclosed except in executive sessions of the appropriate committees.

These reports must include a summary of the efforts made by the United States to obtain agreements to provide the United Nations with armed forces and to obtain agreements among member nations upon universal regulation and reduction of armaments under adequate and dependable guaranty against violation.

Section 411 (a). Definitions—"Equipment" and "materials"

The definition of "equipment" and "materials" is designed to assure that there will be full authority to the President to transfer any equipment and materials which is required for use in connection with or as a result of the performance of a function under this act. This would include material for the production in a recipient country of any military item or items required for the use by or for armed forces.

The President is specifically not given authority to transfer merchant vessels.

Section 411 (b). "Mobilization reserve"

The term "mobilization reserve" is defined to mean the quantity of equipment and materials determined to be required to support the mobilization of the armed forces in the event of war or national emergency, until such time as adequate additional quantities of such equipment and materials can be procured.

Section 411 (c). "Excess"

The term "excess" means equipment or materials in excess of the mobilization reserve.

Section 411 (d). "Services"

As in the case of the definition of "equipment and materials," the definition of "services" is intended to be all-inclusive with respect to any services the provision of which made to a foreign nation may further the purposes of this act. It is intended to cover, among other things, the training of personnel of any nation either in the United States or elsewhere and the furnishing of information and assistance in the field of research and development. A very important form of assistance that is authorized under this act is the procurement of licenses or the granting of indemnification in connection with the use of patented articles or processes or of other technical information and know-how used by nations receiving assistance under this act.

Section 411 (e). "Agency"

The term "agency" is given its standard meaning, i. e., any department, agency, establishment, or wholly owned corporation of the Government of the United States.

Section 411 (f). "Armed forces of the United States"

This subsection is self-explanatory.

Section 411 (g). "Nation"

"Nation." This definition means that the countries described in section 101 and named in section 301, as well as Greece and Turkey, are embraced in the term "nation" under this act.

Section 412. Separability

This is the standard separability provision.

APPROVED
OCT 6 - 1949

EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON 25, D. C.

My dear Mr. Hopkins:

OCT 4 1949

On September 30, 1949, you notified this office that H. R. 5895 "to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations", had been received at the White House and requested reports and recommendations as to the approval of the bill.

This enactment is the "Mutual Defense Assistance Act of 1949". In general, it authorizes the President to proceed with the program to furnish military assistance in the form of equipment, materials, and services to (1) those nations which are parties to the North Atlantic Treaty; (2) Greece and Turkey; and (3) Iran, the Philippines and Korea. A total of \$1,111,000,000, in cash and contract authorizations, is provided for the carrying out of this program.

Title I of the bill authorizes, for the fiscal year ending June 30, 1950, a cash appropriation of \$500,000,000. Of this sum, \$200,000,000 is to become immediately available upon appropriation, the balance to become available when the President approves the recommendations for an integrated defense of the North Atlantic area which may be made by the Council and the Defense Committee established under the North Atlantic Treaty. The bill also provides contractual authority in amounts not exceeding in the aggregate \$500,000,000 in order to accomplish the policies and purposes of the legislation.

Title II authorizes an appropriation not exceeding \$11,370,000 for the period through June 30, 1950 for the purposes of carrying out the provisions of Public Law 75, of the 80th Congress, providing financial, military, and other aid to Greece and Turkey.

Title III authorizes the President to extend this program to Iran, Korea, and the Philippines, whenever the furnishing of such assistance will further the purposes and policies of the Act. For this purpose an appropriation of not exceeding \$27,650,000 is authorized for the period through June 30, 1950. This title also authorizes an appropriation of \$75,000,000 in addition to funds otherwise provided as an emergency fund for the President, to be expended to accomplish in the general area of China the purposes and policies of the Act.

Section 503(c) of title IV authorizes the furnishing of not to exceed \$150,000,000 of excess equipment and materials for the purpose of carrying out the program authorized in the Act, and the program of assistance to Turkey and Greece authorized by Public Law 75 of the 80th Congress.

THE SECRETARY OF DEFENSE
WASHINGTON

OCT 3 1948

My dear Mr. Pusey:

Reference is made to the request of the Bureau of the Budget for the views of the Department of Defense with respect to the enrolled enactment of H. R. 8848, "National Defense Assistance Act of 1948".

This legislation is in accord with the views of the Department of Defense and it is recommended that the President sign the enrolled bill.

With kindest personal regards, I am

Sincerely yours,



Honorable Frank Pusey, Jr.
Director
Bureau of the Budget

RECEIVED

OCT 3 11 17 AM '48

BUREAU OF THE BUDGET

5 1

OFFICE OF THE SECRETARY OF STATE
WASHINGTON, D. C.



DEPARTMENT OF STATE
WASHINGTON

September 30, 1947

My dear Mr. PACE:

The receipt is acknowledged of Mr. Jones's letter of September 29, 1947, transmitting for the comment of the Department of State a facsimile of an enrolled enactment of Congress, H. R. 1895, "To promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations".

The Department strongly recommends the prompt approval of this enactment.

Sincerely yours,

For the Secretary of State:


Ernest A. Gross
Assistant Secretary

The Honorable
Frank Pace, Jr.,
Director, Bureau of the Budget.

- 2 -

In order to permit the program to be initiated, pending action by the Congress upon the several appropriations authorized, the bill would permit the Reconstruction Finance Corporation to make advances of funds not exceeding \$125,000,000, in such manner, at such time, and in such amounts as the President shall determine.

This measure, in the opinion of the Bureau, represents on the whole a conscientious response by the Congress to the request of the Administration for the enactment of legislation on this subject in the form desired by it; and the Departments of State, Defense, Treasury, Justice and Commerce, the Economic Cooperation Administration, Reconstruction Finance Corporation and the Maritime Commission, in their attached reports thereon, either recommend approval of the enactment or interpose no objection to its approval.

The Bureau of the Budget joins with these agencies in recommending that the President approve this measure.

Very truly yours,



Assistant Director,
Legislative Reference.

Mr. William J. Hopkins,

The White House.

Enclosures:

Letters from State, Defense,
Treasury, Justice, Commerce,
EAC, RFC, and Maritime Commission.
House and Senate reports.
Miscellaneous.

5



TREASURY DEPARTMENT


WASHINGTON

Sir:

SEP 20 1909

Your office has requested the views of this Department on enrolled enactment of L.A. 3835, "To promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations".

The Treasury Department would have no objection to a recommendation that the enrolled enactment be approved by the President.

Very truly yours,

Secretary of the Treasury

The Director

Bureau of the Budget

Department of Justice

Office of the Assistant to the Attorney General
Washington

October 3, 1949

Honorable Frank Pace, Jr.
Director, Bureau of the Budget
Washington, D. C.

My dear Mr. Pace:

In compliance with Mr. James' request of September 29, 1949, I have had examined a facsimile of the enrolled bill (H.R. 3875) "To promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations."

Limitations of time preclude a detailed description and analysis of the various provisions of this legislation. In general, however, H.R. 3875 establishes a broad program of military assistance to implement the North Atlantic Treaty and includes as well authorization for assistance to Greece, Turkey, Iran, Korea, the Philippines, and China. The legislation sets out in detail the procedures and mechanics for accomplishing this broad program of military assistance. The main objectives and purposes of the bill are, of course, matters of policy with which the Department of Justice is not primarily concerned.

Earlier drafts of this legislation had been considered by the Department of Justice. In a letter to you dated May 12, 1949, the Department of Justice urged that a provision dealing with the unauthorized use of patents or other information during the course of operations under the program be deleted. The reasons for that position were set forth in detail in the letter of May 12, 1949. It is noted that the provision objected to by the Department has been removed from the final legislation. Specific reference to this deletion was made in the report of the Senate Committee. Sen. Rep. No. 1054, 81st Cong., 1st sess., pp. 35-36.

For the foregoing reasons, the Department of Justice has no objection to the approval of H.R. 3875.

Yours sincerely,



Peyton Ford

The Assistant to the Attorney General



THE SECRETARY OF COMMERCE
WASHINGTON 25

The Honorable
The Director
Bureau of the Budget
Washington, D. C.

Dear Mr. Director:

This letter is in answer to your request dated September 29, 1949, for the views of the Department of Commerce concerning H.R. 5895, an amended enactment.

"To promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations."

The Department in a letter to the Bureau of the Budget dated May 11, 1949, commented on a draft of the Mutual Defense Assistance Act of 1949. We are of the opinion that H.R. 5895 as enacted adequately substitutes the recommendations made by the Department for administrative flexibility in the authority of the President to make delegations under the Act and we would interpose no objection to its approval.

We are of the opinion at this time that the approval of this legislation will entail some additional responsibility under the expert control program of the Department. However, we will attempt to carry out these additional responsibilities within the current funds available. With the exception of this possibility, we are unaware of any activity to be undertaken by Commerce pursuant to H.R. 5895 involving additional expenditure of Government funds.

If we can be of further assistance to you in this matter, please call on us.

Sincerely yours,


Secretary of Commerce



ECONOMIC COOPERATION ADMINISTRATION

WASHINGTON 25, D. C.

MAIL ROOM
100-1

OCT 3 - 1948

The Honorable
Frank Pace,
Director, Bureau of the Budget.

Attention: Mr. Roger W. Jones,
Assistant Director for Legislative History.

Dear Mr. Pace:

I would appreciate it if you would convey my view to the President that the Mutual Defense Assistance Act of 1949, as presented to this Agency, in the form of an amended bill, on September 29, 1948, is entirely satisfactory to me.

The Economic Cooperation Administration has participated, through its representative on the Foreign Assistance Coordination Committee, in the development of this bill and in its presentation to the Congress, and I believe that its enactment in the form approved by both Houses of Congress will enable this Agency to carry out in full the responsibilities which it is expected to perform in connection with the Program.

Sincerely yours,


Assistant Secretary of Defense

Copy to The Secretary of State
The Secretary of Defense

RECEIVED

Oct 3 11 10 AM '48
MAIL ROOM AT THE WHITE HOUSE

UNITED STATES MARITIME COMMISSION

WASHINGTON 25, D. C.

SEP 10 1948

The Honorable
Frank Pace, Jr.
Director, Bureau of the Budget
Executive Office of the President

My dear Mr. Pace:

On September 19, 1948, you requested the comments of the Maritime Commission, in accordance with Budget Circular No. 4-8, on the enrolled amendment of H. R. 1411, as set -

"To promote the foreign policy the provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations".

Certain provisions of the enrolled amendment directly affect merchant vessels and ocean shipping.

Section 411(a) excludes merchant vessels from "equipment" and "materials" which may be furnished as military assistance under the measure. This excludes vessels owned by the Government and subject by the terms of the Merchant Ship Sales Act of 1946 to sale or charter to citizens of the United States or to maintenance in a national defense reserve will continue subject to that Act.

Section 405 of the enrolled amendment would apply the so-called "50 per centum American flag shipping participation provision" to the gross tonnage of any equipment, materials, or commodities made available under the measure and transported on ocean vessels. Such tonnage is to be transported in American flag vessels at market rates for United States flag commercial vessels, and in such manner as will insure a fair and reasonable participation of United States flag commercial vessels in cargoes by geographic areas. These provisions are substantially the same as those in the Economic Cooperation Act of 1948 as amended by section 4 of Public Law 47, 81st Congress, approved April 19, 1948. The provision in Public Law 47 was enacted after floor debate in the Congress and after exhaustive consideration in committees of Congress, including hearings by the House Merchant Marine and Fisheries Committee on legislation to establish a 50 per cent minimum participation provision applicable generally to ocean shipping in the foreign trade of the United States.

The Commission favors the merchant marine policies embodied in the above provisions. Other provisions of the enrolled amendment are primarily within

The Honorable
Frank Pace, Jr. - 2.

the jurisdiction of other agencies of the Government, and the Commission
therefore makes no comment thereon.

Sincerely yours,


GRACE T. MILLER
Vice Chairman

RECONSTRUCTION FINANCE CORPORATION
WASHINGTON

RECEIVED
SEPTEMBER 30 1948

September 30, 1948

Honorable Frank Pace, Jr.
Director
Bureau of the Budget
Washington, D. C.

Dear Mr. Pace:

This is in response to Mr. Jones' request of September 23, 1948 for our comments on the proposed bill H. R. 5493, "To promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations."

Section 406(e) of the bill authorizes and directs the Reconstruction Finance Corporation to make advances not to exceed in the aggregate \$125,000,000 to carry out the provisions of H. R. 5493 and the Act of May 22, 1947, as amended, in such manner, at such times, and in such amounts as the President shall determine, such advances to be repaid to the RFC from funds made available for the purposes of H. R. 5493 and the Act of May 22, 1947, as amended.

The Reconstruction Finance Corporation would have no objection to approval of H. R. 5493 by the President.

Sincerely yours,



Arthur Hays
Chairman

TELEGRAPH BRANCH

Control: 9187
Ref: December 19, 1950
10:54 p.m.

FROM: Brussels

TO: Secretary of State

RE: 1003, December 19, Midnight.

DECLASSIFIED
E.O. 12065
STATE GUIDELINE 6-12-79
BY AUC-HLW/MS, Date 11-22-79

FOR PRESIDENT AND WEBB FROM ACHESON.

Following satisfactory discussion of German problems this afternoon, US, UK and French Ministers adopted following terms of reference for Allied High Commission and inter-governmental study group on Germany:

"The Foreign Ministers have decided to institute promptly preparations for a general outline of arrangements to be made with the Federal Republic of Germany, which would reflect the changes in the present occupation regime by reason of Germany's participation in Western European defense. After preliminary discussions with the Federal Chancellor and other leaders of West Germany, the High Commissioner should elaborate this outline in broad terms for consideration by their governments.

"The High Commissioners should examine the problems involved in the development of a new relationship between the occupying powers and Germany, and should recommend as a matter of priority to their governments those aspects which they feel should be dealt with by the intergovernmental study group. The intergovernmental study group shall reconvene in London during January 1951, to consider those problems referred to it as a result of these recommendations, and to complete the work assigned to it by the Foreign Ministers in September 1950.

"The High Commissioners and the intergovernmental study group should be guided in their work by the following general principles:

"(A) The entry of Germany into western defense arrangements would logically entitle it to substantial freedom. The goal should be to establish the relations between the occupying powers and Germany on as broad a contractual basis as possible, taking into account the resolutions adopted by the North Atlantic Council and to this end to associate the German Federal Government in the working out of future

arrangements
(over)

REPRODUCTION OF THIS
MESSAGE IS PROHIBITED

IMMEDIATE RELEASE

OCTOBER 12, 1949

The President today requested Congress to appropriate the full amount authorized in the recently passed Mutual Defense Assistance Act of 1949 to provide military assistance to foreign nations.

The request includes an appropriation of \$914,350,000 and authority to enter into contracts in the amount of \$500 million.

The bulk of the funds will be used to provide military aid to those North Atlantic Treaty countries which request aid. Until recommendations by the North Atlantic Council and its Defense Committee for an integrated defense of the North Atlantic area have been approved by the President, only \$100,000,000 will be available to provide aid to these countries. Funds to continue the Greek-Turkish program are included in the appropriation. Military assistance will be made available also to Iran, Korea, and the Philippines. Finally, \$75 million will be provided to carry out the purposes and policies of the act in the general area of China.

This new step in United States foreign policy recently approved by the Congress must be supported by the appropriation of funds to carry out the very important objectives of the act. It is essential to strengthen effectively the defensive establishments of free nations that are associated with us in the effort to create a world free of the fear of aggression.



WORLD FOR RELEASE

WORLD FOR RELEASE

WORLD FOR RELEASE

JULY 26, 1950

CONFIDENTIAL: The following Statement by the President in connection with the signing of the amendment to the Mutual Defense Assistance Act is for automatic release at 12:00 noon, E.D.S.T., today, Wednesday, July 26, 1950.

PLEASE GUARD AGAINST PREMATURE PUBLICATION OR RADIO ANNOUNCEMENT.

CHARLES G. ROSS
Secretary to the President

STATEMENT BY THE PRESIDENT

I have today signed S. 3809, the Act which will enable our country to continue military aid to certain free nations of the world.

The overwhelming support for this Act among the Members of Congress is a further mark of the unity of purpose of the American people in support of the foreign policy of the United States. Such support serves to remind those bent on aggression that they dare not count on a division of opinion among our people to help them gain their evil ends.

We are today engaged in a serious undertaking in the Far East — carrying out our responsibility as a member of the United Nations. Side by side with us, under the flag of the United Nations, stand other members of the United Nations who have joined to put down the raw aggression which would deprive the people of the Republic of Korea of their freedom.

This spectacular breach of the peace does not lessen our concern in those other places in the world where aggression could likewise affect the collective security of the free nations.

We are bound by a solemn pledge to regard an attack on any of the members of the North Atlantic Treaty as an attack on us. This pledge recognizes that the life of the United States and that of western Europe are bound together. The Act signed today is a further step toward the common goal of the North Atlantic Treaty nations. Our goal is to create the kind of strength which will deter potential aggressors from attacking as formidable and united a group; and to defeat aggression, should it come.

This Act will permit the United States to make a significant contribution to that goal by providing some of the equipment and materials which our European partners urgently need in building up the strength they require. What we provide will be used, under the recent determination of the North Atlantic Council, to equip balanced collective forces of the North Atlantic Treaty nations which are now being created.

In Greece, in Turkey, and in Iran, this Act will permit us to continue to help keep these nations strong and determined — free of alien influence, and free to grow and develop in their own way.

The Act also authorizes military assistance to Asia and the Far East, in parts of which direct conflict is now going on.

The military assistance authorized by this Act, the economic assistance and the other foreign aid measures we have undertaken — indeed, our entire foreign policy — recognize one central fact — that today the freedom-loving nations are determined to stand together to preserve their freedom.

orig filed 8871-2

B

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON, D. C.OFFICE OF
THE DIRECTOR

November 15, 1951

MEMORANDUM FOR THE PRESIDENT

Subject: Delivery of Military Aid Items

On October 10 you requested the Secretary of Defense to submit certain information with respect to the delivery of military aid items to countries receiving assistance under the Mutual Defense Assistance Act. The Secretary of Defense, in his reply of October 23, indicated that the matter was under continuing review by the Joint Chiefs of Staff and I know that several further meetings have been held on this subject by the various agencies concerned, particularly, in connection with the visit of General Eisenhower several days ago. Moreover, this matter will certainly be discussed at the meeting of the North Atlantic Treaty Council starting in Rome on November 24.

During the course of our recent discussion on this subject you requested that I prepare, for your information, a statement of the delivery problem in connection with the material shipments to NATO with a factual picture as to the shipments made to date. I believe the attached statement will give you a brief picture of the situation.

I am also attaching the reply from Secretary Lovett of October 20 for your information.


DirectorHARRY S. TRUMAN LIBRARY

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MATERIAL SHIPMENTS TO NATO (MUTUAL SECURITY PROGRAM)

Attached hereto is a table showing 1950, 1951 and 1952 appropriated funds available for NATO material programs, total shipments to ports accomplished during 1950 and 1951, and the trend of total shipments to ports by month during the last six months. There follows a discussion of the major considerations affecting the low rate of deliveries to date and the problem of increasing deliveries to meet our NATO commitments.

The 1950, 1951 and 1952 Mutual Security Assistance appropriations for military aid for NATO are designed to finance (1) most of the key equipment deficiencies for 52 NATO divisions; (2) planes and other key equipment deficiencies for approximately one-half of the tactical air units required in support of the 52 ground force divisions, and (3) a relatively small part of the deficiencies in harbor defense installations, patrol craft and mine-sweepers. The deficiencies are those remaining after allowance for European stocks and anticipated European production of military equipment. The force of 52 divisions and associated naval and air units are the forces committed to be raised by the NATO countries by June 30, 1952.

Progress to date against planned delivery objectives has been disappointing. About 70 percent of the 1950 NATO appropriation of \$1.1 billion have been delivered but only 5 percent of the 1951 appropriation of \$4.1 billion and none of the 1952 appropriation of \$4.2 billion have been delivered. When the 1952 Mutual Security Assistance budget was prepared, it was contemplated that NATO deliveries of approximately \$4.0 billion would be made during 1952. Continuation of current rates of shipment to NATO (approximately \$75 million per month) would result in deliveries of approximately \$1.0 billion in 1952. Monthly shipments have not increased during the last six months, and under existing conditions and policies are not likely to increase for some time. In order to improve this situation, it is essential that a firm planned NATO requirement for the next 12 months be developed. It is understood this is in process.

Availability of appropriated funds is not and, during the past year, has not been a limiting factor upon the timing and rate of shipments to the NATO area. Shipments have been low for the following reasons: (1) the Korean conflict has necessitated the diversion of U. S. military depot stocks which were earmarked for NATO; (It is recognized that the rehabilitation program financed from MMAP funds supported Korean operations initially.) (2) production of new equipment in the U. S. has lagged behind planned production schedules developed last spring and summer; (It should be understood that production in many items was nonexistent when these schedules were made.) (3) the production "slippage" has necessitated the retention of stocks by U. S. forces which were earmarked for NATO and (4) existing munitions allocation policies give low priority to NATO requirements. Present production is not now sufficient to meet Korean and NATO requirements for many items concurrently. Korean consumption, all U. S. active force needs, Indo-China requirements and a large part of U. S. mobilization requirements for the first 12 months of war carry higher allocation priorities than that for NATO.

100-1085-26

DEB:RLT Date 9-26-85

JSC Name 8-27-85

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Most shipments to date have been made from existing U. S. stocks; little has been shipped from new production. The continuation of war in Korea and of present allocation policies will practically insure that shipments from existing stocks cannot increase. There is some indication that they may decrease. Added programs, both foreign and domestic, will aggravate this problem.

Shipments to NATO, whether from stocks or directly from new procurement, could be radically improved if a satisfactory and early termination of the Korean conflict were reached or if munition allocation policy were changed to give a substantially higher priority to NATO. Unless one or both of these changes occur, a significant increase of NATO shipments is unlikely until U. S. production of equipment reaches the peak of production now estimated to occur in the middle of fiscal year 1953 and continues at that level for 4 to 8 months. Korean needs, the existing allocation policy, and production slippage together raise the issue of U. S. ability to meet NATO commitments on time.

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November 15, 1951

MUTUAL SECURITY MATERIEL PROGRAM FOR NATO
(In Billions)

	<u>F.Y. 1950</u>	<u>F.Y. 1951</u>	<u>Total (1950/1951)</u>	<u>F.Y. 1952</u>	<u>Total (1950/51/52)</u>
Appropriated Funds for NATO - (Made or to be made available to Defense)	976	4,184	5,160	1/ 4,760	9,920
Deduct: All non-materiel charges	66	366	432	686	1,118
Balance available for materiel programs	910	3,818	4,728	4,074	8,802
Add: Value of excess materiel made available by Defense without charge	186	270	456	162	618
Total NATO materiel Program	1,096	4,088	5,184	1/ 4,236	9,420
Deliveries of materiel charged to appropriation			690	0	690
Deliveries of excess materiel			330	0	330
Total, NATO deliveries			1,020	0	1,020

DELIVERIES TO NATO IN RECENT MONTHS
(In Millions)

	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>
Materiel charged to appropriation	73	53	94	47	65	37
Excess materiel	9	5	8	28	23	1
Total	82	58	102	75	88	38

1/ Tentative estimate pending determination of specific programs. \$2,067 million apportioned as of Sept. 30, 1951.

November 15, 1951

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~~SECURITY INFORMATION~~

President's Secretary
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HLT (1951-60N) 1

THE SECRETARY OF DEFENSE
 WASHINGTON

DECLASSIFIED

Authority MLT-85-28

23 OCT 1951

By DEB HLT Date 9-26-85

(13K memo 8/20/85)

Dear Mr. President:

The information requested in your letter of 10 October 1951 concerning deliveries of military and items to countries receiving assistance pursuant to the Mutual Defense Assistance Act of 1949, as amended, is submitted herewith in accordance with the extension of time granted by your office. I believe this information will be found to be responsive to your inquiry with one exception, viz., the request for information concerning deliveries projected at the beginning of calendar year 1951, broken down between United States forces and forces of other countries. It has not been possible to furnish this particular breakdown because procurement for mutual defense assistance programs is merged with procurement for United States forces, and at the procurement planning stage an attempt is made to indicate procurement for United States and other forces separately.

I have been concerned for some time with the problem of obtaining from production sufficient military end items to satisfy the requirements of United States forces as well as our foreign needs. At my direction all three Services are continually reviewing their procurement plans for long-lead-time, hard-to-get critical items of military equipment. The purpose of this continuous review is to identify those critical items of military equipment where an increase in production is possible under existing circumstances and to adjust our production accordingly. A statement of the principal obstacles to production which we are now encountering is, in accordance with your request, inclosed herewith.

The policies and priorities for allocation of military equipment, referred to in the last paragraph of your letter, is under continuing review by the Joint Chiefs of Staff. Inclosed is a statement of these policies and priorities as recommended by the Joint Chiefs of Staff on 27 October 1950, together with their latest recommendations thereon, dated 12 October 1951. In accordance with your request, I have taken no decision with respect to these latest recommendations, but it should be noted that in their memorandum of

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12 October 1951 the Joint Chiefs of Staff reaffirm the general principles for the allocation of finished munitions as previously recommended by them, and which have been in effect since the date of their approval by the Secretary of Defense on 7 November 1950.

With great respect, I am

Faithfully yours,



Inclosures - 6

1. Obstacles to Production
2. Allocation Policies
3. MDAP Funds
4. Production & Delivery
Schedule - Army
5. Production & Delivery
Schedule - Navy
6. Production & Delivery
Schedule - Air Force

The President

The White House

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~~SECRET~~President's Secretary
lesOBSTACLES TO PRODUCTION

The following paragraphs explain some of the obstacles which have been encountered in fully implementing projected delivery plans during the past eight months, and obstacles expected to be encountered in fully implementing such plans in the coming months. In addition to the obstacles listed below, production difficulties pertaining to specific items are explained, where pertinent, on the individual pages of the Production and Distribution Schedules, Inclosures 4, 5, and 6.

Program Implementation: Several obstacles have been encountered in fully implementing projected delivery plans. One important factor has been the indefinite extent and nature of the total program which the Defense Department was to undertake when related to the amount of funds that would be available for its implementation.

Machine Tools: Until recently, the machine tool industry has been relatively slow in stepping up production of critically needed items of equipment. Machine tools that are in extremely short supply in the United States are presently adversely affecting the production schedules of North Atlantic Treaty countries, particularly France, where several additional military production programs are being held up, pending delivery of the machine tools ordered from United States manufacturers. The non-delivery of these machine tools which are needed to produce end items is definitely an obstacle which affects mutual defense assistance deliveries and production scheduling in North Atlantic Treaty countries.

Material Shortages: Spot shortages of certain critical materials in specific forms and shapes have and will continue to delay production.

Strikes: In many critical areas of industry, strikes have been a large contributing factor. Many costly and prolonged work stoppages have delayed, and are continuing to delay production of raw materials, finished and semi-finished products.

Facility Expansion: Fabrication and production capacity has not been available in a few instances to meet requirements, such as large armor castings, optical fire-control equipment and electronic components. Expediting Production Funds have been made available to industry for such expansion which will bear fruit in the near future.

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Inclosure 1

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Personnel Shortage: There has been and will continue to be a shortage of trained personnel in government and industry. Tool makers, die sinkers and other highly skilled personnel are examples of shortages which will undoubtedly continue to impede production. The effect of the ceiling on graded personnel imposed in the Defense Appropriation Act of 1952 has not been fully evaluated, but it may limit the number of personnel available for inspection, contract negotiation and production expediting.

Engineering and Development: In an attempt to make the most modern equipment available, production efforts have been directed towards some items newly designed and engineered which had not been fully tested as to producibility or performance. Some delays have resulted because of necessary engineering changes and lack of "know-how" in producing these items of equipment.

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ALLOCATIONS POLICIES

Activity INT 85-28

By D-8 JUL Date 7/21/55
J. E. R. 11/27/57

The policies followed in making allocations of finished munitions among United States forces and forces of other countries stem from Section 401 of the Mutual Defense Assistance Act of 1949, as amended (P. L. 329-81st Congress) which provides as follows:

"Sec. 401. military assistance may be furnished under this Act, without payment to the United States except as provided in the agreements concluded pursuant to section 402, by the provision of any service, or by the procurement from any source and the transfer to eligible nations of equipment, materials, and services: Provided, That no equipment or materials may be transferred out of military stocks if the Secretary of Defense, after consultation with the Joint Chiefs of Staff, determines that such transfer would be detrimental to the national security of the United States or is needed by the reserve components of the armed forces to meet their training requirements."

Section 506(b) and (c) of the Mutual Security Act of 1951 (P. L. 165 - 82nd Congress), also relates to allocations, and provides as follows:

HARRY S. TRUMAN LIBRARY

"Sec 506(b). The establishment of priorities in the procurement, delivery, and allocation of military equipment shall be determined by the Secretary of Defense. The apportionment of funds between countries shall be determined by the President.

(c). Notwithstanding any other provision of law, during the fiscal year 1952 the Secretary of Defense may furnish (subject to reimbursement from funds appropriated pursuant to this Act) military assistance out of the materials of war whose production in the United States shall have been authorized for, and appropriated to the Department of Defense: Provided, however, that nothing in this Act shall authorize the furnishing of military items under this subsection in excess of \$1,000,000,000 in value. For the purposes of this subsection (1) "value" shall be determined in accordance with section 402(c) of the Mutual Defense Assistance Act of 1949 as amended, and (2) the term "materials of war" means those goods, commonly known as military items, which are required for the performance of their missions by armed forces of a nation including weapons, military vehicles, ships of war and/or fifteen hundred tons, aircraft, military communications equipment, munitions, maintenance parts and spares, and military hardware."

On 27 October 1950, in a memorandum to the Secretary of Defense, the Joint Chiefs of Staff recommended the following policy with respect to supplies and equipment for the Mutual Defense Assistance Program.

"1. Reference is made to the interim report contained in a memorandum by the Joint Chiefs of Staff to you, dated 12 September 1950. This is the final report of the action taken by the Joint Chiefs of Staff in connection with your memorandum, dated 18 August 1950, subject, "Supplies and Equipment for Mutual Defense Assistance Program," and concerns that portion of your memorandum wherein you requested that

Inclosure 2

a relative priority for the Mutual Defense Assistance Program (MDAP) in relation to U. S. military programs be established.

2. In considering the relative supply priority to be established for MDAP in relation to United States military programs, it would be well to keep in mind that the long-range, over-all military objective of United States Mutual Defense Assistance Programs should be the development of conditions which will improve to the maximum extent possible within economic realities, both current and foreseen, the ability of the United States in event of war to implement, in conjunction with its allies, a long-range strategic concept. Briefly, that concept is that the United States, in collaboration with its allies, will impose the war objectives of the United States and its allies upon the USSR by conducting a strategic offensive in Europe and a strategic defensive in the Middle East and in the Far East.

3. Military assistance should, in principle, be considered as a complement to the military preparedness of the United States proper, with the essential military equipment needs of the armed forces of the United States receiving highest priority. Programming of mutual defense assistance, therefore, should be accomplished as a further requirement on United States resources, i. e., as being additive to the equipment needs of the United States forces, rather than as a competing element for limited United States munitions.

4. The Joint Chiefs of Staff are fully cognizant of the importance of MDAP to the policy and strategic interests of the United States. They consider that United States production should make the necessary expansion to the extent that MDAP phased requirements can be met simultaneously with United States phased requirements. They further encourage and support the development, under MDAP, of increased additional military production and offshore procurement to relieve partially the heavy commitments against United States industry.

5. In connection with the assignment of priorities, it should be borne in mind that all programs contain items of wide differences in degree of urgency. It is manifestly impractical to assign an over-all priority for one broad program with respect to any other broad program. Priority must be associated with each component, not with the program as a whole.

6. In the light of U. S. strategic interests and in the world situation now existing, the Joint Chiefs of Staff believe that finished munitions should be allocated in accordance with the following general principles:

HARRY S. THOMAS LIBRARY

a. First Priority:

(1) United Nations operations in Korea and United Nations operations in any further troubled areas where United States forces are committed, in the order:

(a) United States forces.

(b) Other United Nations forces as approved by competent U. S. authority.

(2) Other operational requirements when specifically determined by the Joint Chiefs of Staff.

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(3) Minimum U. S. requirements for national security, to include support of United States forces in occupied areas, necessary equipment for active forces and those now scheduled for mobilization, and other essential defense requirements, including training of civilian components.

b. Second Priority:

Approved foreign military aid programs, provided that no equipment is furnished to recipient countries at a rate faster than can be utilized profitably in the build-up and training of effective forces, with long-term priority among countries being in this general order:

- (1) North Atlantic Treaty Organization (NATO) countries.
- (2) Other countries.

c. Third Priority:

The remainder of the material requirements of the United States Armed Forces.

7. The Joint Chiefs of Staff recognize that certain factors, such as the need for strengthening the morale and internal security of recipient nations and protecting various United States interests abroad may, in exceptional cases, become overriding political considerations modifying the strict application of the above-mentioned priorities. In this connection, it is considered that United States policy and prestige demand that aid under MDAF be furnished on a substantial basis to each recipient country, with a continuing flow of such assistance to support the build-up of allied forces, as well as to prevent the further encroachment of Communism.

For the Joint Chiefs of Staff:

/s/ Omar W. Bradley *Witness to Government Documents*
Chairman,
Joint Chiefs of Staff."

On 29 December 1950, in a memorandum to the Secretary of Defense, with respect to MDAF assistance to Indo-China and Formosa, the Joint Chiefs of Staff stated that:

"In view of the current military situation, it is recommended that the supply priority for Indo-China be above all other Mutual Defense Assistance Programs and that for Formosa be the same as for countries of the North Atlantic Treaty Organization."

On 29 August 1951, the Secretary of Defense requested the Joint Chiefs of Staff to review the existing policies governing MDAF assistance and make recommendations accordingly. On 12 October 1951 the Joint Chiefs of Staff reaffirmed the established allocations priorities in a memorandum to the Secretary of Defense as follows:

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President's Secretary
File

1. In response to your memorandum, dated 29 August 1952, the Joint Chiefs of Staff have reviewed the current policy concerning the relative priorities between U. S. military programs and the Mutual Defense Assistance Program (MDAP) with a view to ascertaining whether a revision of those priorities should be made.

2. The Joint Chiefs of Staff still feel that urgent measures to accelerate the delivery of MDAP material are required in order that the U. S. and its allies can achieve the capability of implementing the basic strategic concept for the conduct of general war. However, they are of the opinion that military assistance should, in principle, be considered as a complement to the military preparedness of the U. S. proper. The essential military equipment needs of the Armed Forces of the United States should receive highest priority.

3. Being cognizant, however, of the importance of MDAP to the strategic interests of the United States, the Joint Chiefs of Staff reiterate their view that U. S. production should make the necessary expansion to meet simultaneously MDAP and U. S. phased requirements.

4. The Joint Chiefs of Staff encourage and support the principle of increasing offshore procurement from our present and potential allies, in order to supplement U. S. production, thus relieving the heavy commitments against U. S. industry to the extent that such offshore procurement does not adversely affect the industrial mobilization build-up necessary to achieve the objectives of our Medium Term War Plan. Support of such program should be accompanied with appropriate allocation of essential raw materials as would not reduce U. S. production to meet the objectives of our Medium Term War Plan. It is believed that a program of this nature could:

- a. Speed up deliveries of total MDAP materials.
 - b. Take advantage of skilled workmen in such countries as Japan and West Germany.
 - c. Aid in alleviating the critical dollar shortage presently experienced by some of our major allies, such as England and France.
5. Although the Joint Chiefs of Staff consider that the current priorities policy is sound, they have requested the Services to review their criteria for establishing minimum material needs to meet minimum U. S. requirements for national security, with a view to determining whether an increased flow of finished munitions to MDAP recipients can be effected.

6. The Joint Chiefs of Staff reaffirm the general principles for the allocation of finished munitions as set forth in paragraph 6 of their memorandum for you, dated 27 October 1950, and have taken action to explore the possibility of accelerating MDAP deliveries within the application of those principles.

For the Joint Chiefs of Staff:

/s/ Hoyt S. Vandenberg
Chief of Staff, United States Air Force."

TOP SECRET

B F

~~TOP SECRET~~

Determination of the "minimum U. S. requirements for national security," which under the existing allocations policy holds the third position under the First Priority (directly behind (1) Korean, and (2) similar operational requirements), is the responsibility of the Joint Chiefs of Staff as affirmed in NSC 14/1 as follows:

"12. The military assistance program should be governed by the following considerations:

1. The program should not jeopardize the fulfillment of the minimum material requirements of the United States Armed Forces, as determined by the Joint Chiefs of Staff."

The responsibility for the administration of the foregoing allocations policy has been placed in the Joint Munitions Allocations Committee under the Joint Chiefs of Staff.

In view of the fact that the major programs of mutual assistance are for Army-secured items, an Army Allocations Committee has been operating for some time as a subcommittee of the Joint Munitions Allocations Committee. (Similar subcommittees are being set up for the Navy and Air Force.) This subcommittee meets monthly and, taking into account total assets and requirements, recommends allocations among United States forces and recipients of the Mutual Defense Assistance Program. Every item in short supply which appears in any Army mutual defense assistance program is considered by the Army subcommittee. The minutes and recommendations of this committee are submitted to the Joint Munitions Allocations Committee for approval. This allocations system is substantially the same as that used so successfully in World War II.

L.

~~TOP SECRET~~

DEPARTMENT OF DEFENSE
 BUDGET ALLOCATIONS AND AVAILABLE FUNDS
 By Year of Appropriation and by Title

	Allocated to Defense <u>12 Oct 1951</u>	Additional Amount Available for Defense	Total Available for Defense
<u>1950</u>			
Title I	\$976,863,764	\$1,636,236	\$977,700,000
Title II	293,233,000	2,719,522	195,952,542
Title III	329,528,500	---	109,528,500
Total 1950	1,278,825,264	4,355,758	3,203,181,642
<u>1951</u>			
Title I	4,383,733,097	---	4,383,933,097
Title II	733,500,000	---	333,500,000
Title III	466,923,047	916,060	469,489,107
Total 1951	4,984,006,144	916,060	4,984,922,204
Total Prior Years	6,262,831,308	1,771,818	4,968,103,206
<u>1952</u>			
Title I	1,624,436,230	3,392,582,790	\$ 2,017,000,000 ✓
Title II	289,029,100	207,700,000	396,250,000
Title III	339,387,660	309,862,500	539,250,000
Title IV	---	38,150,000	38,250,000
Total 1952	1,967,852,770	4,000,427,290	5,968,280,000

BUDGET & FINANCE DIVISION

✓ \$16,000,000 of the pending Mutual Security Title I appropriation for military assistance has been deducted for the probable administrative expense of the Director of Mutual Security and of United States participation in international security organizations.

DEPARTMENT OF DEFENSE
MDAP COMMITMENTS, OBLIGATIONS AND DELIVERIES
 By Month From November 1949 to August 1951
 (Cumulative in Millions of Dollars)

Month	Status of Funds		Deliveries		
	Committed	Obligated	Total	Charged to Appropriation	Acquisition Cost of These
1949					
December	.1	.0	0	0	0
1950					
January	0.5	2.5	0	0	0
February	74.2	11.5	1.3	1.3	0
March	126.4	43.0	34.9	33.0	1.9
April	374.4	169.2	22.3	18.9	5.4
May	763.8	648.3	34.4	19.5	14.9
June	1,101.4	1,078.5	68.6	36.8	31.8
July	1,363.7	1,318.9	99.4	55.5	43.9
August	1,685.6	1,381.1	175.1	106.4	60.9
September	1,952.8	1,857.0	249.1	150.3	99.8
October	2,418.0	1,648.8	320.2	199.3	124.9
November	2,649.7	1,993.2	379.4	239.8	159.8
December	2,729.7	2,059.5	514.4	312.8	201.5
1951					
January	3,453.2	2,672.4	413.5	267.8	247.6
February	3,909.0	2,148.3	664.2	406.4	235.9
March	4,151.9	2,790.8	786.5	485.0	297.5
April	4,695.9	2,542.0	929.9	623.2	307.3
May	5,210.1	4,673.8	1,006.0	691.6	314.4
June	5,796.2	5,510.1	1,121.2	798.9	322.3
July	6,228.3	5,544.2	1,216.9	865.4	351.3
August	6,732.8	5,653.2	1,322.1	946.3	371.7
	As of	As of	Balance Expected to be Made Available		
Funds Available	31Aug51	30Nov51			
FF 1950 & 1951	6,262.1	6,262.8	5.3		
FF 1952	1,398.4	1,947.8	4,635.8		

BUDGET 5, 1950-51

FROM SECRETARY'S OFFICE

(COPY 1 OF)

ALT (PFC 5-B) 187

U. S. S. WILLIAMSBURG

U. S. Naval Gas Factory

WASHINGTON 2, D. C.

212106Z

SECURITY INFORMATION

11/21/51

FROM: REAR ADMIRAL ROBERT L. DENNISON NAVAL AIDE TO THE PRESIDENT.
TO : DEPARTMENT OF STATE, WASHINGTON, D.C.

◆ ◆ ◆

1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 26

Figure 1. Schematic diagram of the experimental setup.

PLEASE PASS FOLLOWING TO THE SECRETARY OF STATE X
I WAS PLEASED TO RECEIVE YOUR HEARTENING REPORT OF THE
TWENTIETH X WE MUST CONTINUE TO EXERCISE OUR POLITICAL
LEADERSHIP IN THE ASSEMBLY WITH COURAGE AND CONVICTION X
KEEP UP THE GOOD WORK X I AM OF COURSE CONCERNED WITH
THE SITUATION IN FRANCE AND WILL AWAIT FURTHER WORD FROM
YOU IN THAT CONNECTION X MRS TRUMAN JOINS ME IN WISHING
MRS ACHESON AND YOU A MOST HAPPY THANKSGIVING X

HARRY S. TRUMAN

[illegible]
$$f(x) = \frac{1}{2} \left(\frac{1}{x} + \frac{1}{x^2} \right) \quad \text{for } x \in (0, 1)$$
$$n = 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100$$
$$v \pm \frac{1}{2} \langle \alpha, \Sigma_{\alpha} \rangle \neq 0 \text{ if}$$

3-16-49

Memo,

Ans. Nov. 24, 1951

November 20, 1951

MEMORANDUM FOR THE PRESIDENT

Subject: Economic Assistance for France

The Secretary has reported about the general agreement that he and Mr. Parrison reached with the French Government on November 16, to provide United States economic assistance to France in an amount adequate to make possible the French defense effort in the coming year. The Secretary's report to you is contained in the attached telegram 2267 from Paris, dated November 17. The agreement reflects the results of two weeks of negotiations with the French.

Our approach to the French in the aid negotiations has been that United States economic support for France in one form or another would be in an amount adequate to finance imports into France required to support the French defense effort and maintain a healthy French economy.

The French believe that the military situation in Indochina requires that they increase their military expenditures in that area by one-third next year. The French are also anxious, as are we, that they carry out a substantial program to increase their forces in Europe committed to Eisenhower. This latter program is not only essential to NATO defense plans in Western Europe but is also considered by the French to be a necessary prerequisite to the creation of German forces of the size which our military planners desire. It is the judgment of the United States negotiators that the French programs in Indochina and in Western Europe for the coming year are reasonable ones and justify our support.

The French Government is now presenting its calendar 1952 budget to Parliament. The budget presented, particularly as it relates to defense expenditures, is to a large extent dependent on how many dollars the French can count on having to cover their balance of payments deficit. Mr. Parrison and Secretaries Adleson and Lovett have agreed that the legitimate French dollar

requirements

1952

3-16-54

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-2-

requirements during the current United States fiscal year would amount to \$650 million. They have assured the French that a total of some \$600 million will be available in the form of direct economic assistance and United States military expenditures in France. To this would be added a cotton loan from the Export-Import Bank of \$50 million.

The fulfillment of this commitment to the French will probably necessitate the exercise by you of the power contained in Section 101 (b) of the Mutual Security Act of 1951, which authorizes transfer of 10 percent of funds appropriated for military end-item aid for use as economic assistance. Of the total of \$580 million which is transferable in this manner, the French commitment might involve the transfer of \$150 to \$300 million, the exact amount depending on the rate of other United States military expenditures in France in 1951/52. Specific recommendations on the amount will be submitted to you on a subsequent date by the Director for Mutual Security.

Attachment:

Paris telegram 2967,
November 17, 1951.

~~SECRET~~
B.F.

TELEGRAM

Department of State

TELEGRAPH BRANCH

~~SECRET~~

CG-M X

Adm

SS

Info

DCR

FROM: Paris

TO: Secretary of State

NO: 2967, November 17, 6 p.m.

Control: 8522

Ref: November 17, 1951
6:57 p.m.

EO 12065, 2-13-72

EO 12065, 2-13-72

State Dept. Conf. Room, Nov 6, 1951

By ALC NLY, T-16-13

MIACI.

FOR THE PRESIDENT AND ACTING SECRETARY; FURTHER DISTRIBUTION
BY S/S to ECA AND DEF.

Further ref matter discussed in Ambassador Paris cable 2806
and 2827, we have been carrying on talks during past week
with Lovett, Pace and Nash for Def, and with Harriman,
Bruce and Labouissie (ECA).

Gen agreement reached that in view of problems faced by French
as outlined in ref cable, US assistance and military ex-
penditures in total amount of approx 650 millions by July 1,
1952 will be required if French are to meet Indochina burden
and at same time come up with adequate contribution to def
of Western Europe.

Difficulty recognized of making any reasonably firm estimate
of military expenditures in view of interdependence of
deployment on progress made toward readiness of bases and
other facilities. Similar difficulty recognized in firming
up estimated expenditures for US share of infrastructure
costs and off-shore procurement. Nevertheless necessity
recognized by all of giving French most definite ideas pos-
sible of what might be expected during 1952 in the way of
US expenditures and assistance in order to permit them to
support their def budgetary submissions in French Assembly
debates which opened Friday, the 16th. Failing any definite
info on this score, French wld be forced by seriously deterio-
rated balance of payments position to reduce def budget to
level wholly unacceptable both for Indochina effort and NATO
contribution. Moreover, as explained in detail in referenced
cable, such action wld seriously impair progress toward
resolution of problems of European def force and Ger con-
tribution to def of Western Eur.

Since all agreed that with every effort on part of both US
and French to cut red tape and expedite to maximum extent,
level of US assistance and military expenditures in fiscal
1952 wld reasonably be expected to approximate 650 millions,
it was felt foolish in the extreme to deny this info to
French at time when making it available to them might materially

assist in

REPRODUCTION OF THIS

MESSAGE IS PROHIBITED

~~SECRET~~

-2- 2067, November 17, 8 p.m. from Paris.

assist in strengthening their determination to go forward with an acceptable NATO and Indochina def effort.

Accordingly meeting was arranged for morning of Friday, the 16th (prior to the commencement of the Assembly debate) which was attended by Pleven, Schuman, Bidsuit, Mayer and Monnet for the French, and by Acheson, Harriman, Bruce, Nash (for Def) and Labrousse (for RCA).

Opening the discussions, I emphasized the great importance of the next 90 days in getting the NATO rearmament program into the best possible focus and balance, completing a constructive report by the TCC, forwarding the solution of the Car Problem, etc. The success of these efforts will be in no (rpt no) small measure dependent upon the ability of French Govt to continue leadership it has been giving to program for def of Western Eur while at same time continuing its campaign against Communist aggression in Indochina.

I said it was recognized that unless means were found to improve the French dollar balance of payments situation, it will be necessary for them to make drastic cuts in their program of essential dollar imports which in turn will have serious adverse effects on their military budget. I added that in an effort to be of assistance in this connection, I had taken advantage of the presence of Mr. Lovett in Paris to carry on exploratory discussions with him and Mr. Harriman and others to ascertain the level of US assistance and military expenditures which might be anticipated between now (rpt now) and July 1, 1952. We believed that it will be altogether likely that a total of some 600 millions of dollars will be achieved, provided the French and ourselves will eliminate red tape and get ahead rapidly with the construction of the bases and facilities required to achieve the planned deployment of US forces. To this might be added a cotton loan from the Export-Import Bank in the amount of 50 millions which I said I believed will be arranged.

Pleven agreed that the French also look on the next 90 days as a period of great importance for the future of Atlantic Community plans. He stressed that the effort which France was being called upon to make in Indochina, involving an expenditure of more than \$1 billion in 1952, lay at the bottom of her present difficulties and expressed the hope that the US will find some way of increasing the already highly important assistance we were giving in that area. He spoke of the difficult task his Govt faced in getting through Parliament a budget involving heavy sacrifices, citing the necessity of putting the postwar reconstruction program at a time when the French housing shortage continued to be acute. He said that he recognized the necessity of a business-like approach to cut through red tape and expedite the use of US aid but felt obliged to add that all the present difficulties will

not (rpt

SECRET

-3- 2967, November 17, 8 p.m. from Paris.

not (rpt not) be attributed to slackness on the part of the French. The French had been "burned" on their expectations of aid from US during the first half of the present US fiscal year. The atmosphere of uncertainty in regard to US assistance in which France had been operating had destroyed any chance of rational planning.

Mognet expanded on this last point emphasizing that unless the US did say definitely and immediately what over-all sum in dollars wld be spent in France in the first 6 months of 1952 there wld be a serious disintegration of the French NATO program and this wld have an inevitable effect on the French def production program. He thought this wld be a great pity since he felt certain the dollars were eventually going to be spent and he felt sure that if some advance knowledge old be given, France old plan wisely and old make a real def contribution in 1952. But, he concluded, while the technicians argued, dissolution was taking place.

Both Bidault and Mayer stressed the importance of getting ahead with a program of off-shore procurement. Both felt, however, that actual expenditures for off-shore procurement wld not (rpt not) develop rapidly enough to be of much assistance in the first half of 1952, and Mayer inquired whether it might not (rpt not) be possible to use some method of pre-financing such as advance purchases of francs. Mayer added that without an amount of American assistance greatly in excess of what has heretofore been indicated, it wld not (rpt not) be possible for France to carry on at the same time the three principal tasks of Indochina, NATO, and postwar reconstruction. He said that he was contemplating asking Parliament for additional taxes that wld make France the highest taxed country in NATO, and that he wld have to adjust the import program to whatever level of revenue he was able to attain. Mayer expressed an interest in the composition of the figure of 600 millions (exclusive of the 50 million cotton loan) of expenditure referred to at the outset of the discussion.

In reply I stated that I was not (rpt not) prepared at this time to indicate any specific break-down of the figure which I had advanced, stating that the development of the figure ~~was a matter resting with Messrs. Lovett and Harriman.~~ I added, however, that I felt the US old give assurance that the 600 millions of expenditures wld be achieved through one means or another provided that together we were able to make the maximum advantage of the limited time available for the development of the requisite bases and other facilities.

MESSAGE UNSIGNED

DOC:WJS

NOTE: (#) Apparent omission, correction to follow.

SECRET

B File

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U. S. S. WILLIAMSBURG

U. S. Naval Gun Factory

WH 838
WHITE 40

WASHINGTON 25, D.C.
281720Z

28 NOVEMBER 1951

FROM: ACTING SECRETARY OF STATE, HONORABLE JAMES E. WEBB
TO : THE PRESIDENT OF THE UNITED STATES

MEMORANDUM FOR THE PRESIDENT

SUBJECT: ECONOMIC ASSISTANCE FOR FRANCE.

IN A MEMORANDUM OF NOVEMBER 19, 1951, I TRANSMITTED TO YOU A REPORT FROM SECRETARY ACHESON REGARDING FRENCH REQUIREMENTS FOR ECONOMIC ASSISTANCE. A FURTHER REPORT IS CONTAINED IN THE ATTACHED TELEGRAM 3049 FROM PARIS OF NOVEMBER 21. THIS TELEGRAM REFLECTS THE VIEW OF OUR NEGOTIATORS IN PARIS THAT NOT MORE THAN \$130 MILLION WOULD HAVE TO BE TRANSFERRED FROM MILITARY END-ITEM AID FOR USE AS ECONOMIC ASSISTANCE, RATHER THAN THE ESTIMATED NEED TO TRANSFER \$150 TO \$300 MILLION CONTAINED IN THE LAST PARAGRAPH OF MY MEMORANDUM.

SIGNED JAMES E. WEBB
ACTING SECRETARY

ENCLOSURE:

PARIS TELEGRAM 3049
NOVEMBER 21, 1951
FROM: PARIS
TO : SECRETARY OF STATE

State E. J. C.

FOR WEBB FROM ACHESON AND HARRIMAN.

REFERRING DEPTTEL 2999, COMMITMENT GIVEN FRENCH AT MTG PLEYEN ON FRIDAY MORNING (EMBTel 2967) WAS ASSURANCE THAT \$600 MILLION (EXCLUDING POSSIBLE \$500 MILLION EXIM BANK COTTON LOAN) OF EXPENDITURES WOULD BE ACHIEVED IN FRANCE BEFORE JUNE 30, 1952, THROUGH ONE MEANS OR ANOTHER, PROVIDED FRENCH DID NECESSARY THINGS WITH RESPECT TO BASES AND OTHER FACILITIES, AND ON ASSUMPTION FRENCH COME UP WITH ADEQUATE CONTRIBUTION TO DEFENSE OF WEST EUR WITHIN THE OVERALL NATO FRAMEWORK BEING DEVELOPED BY TCC AND CONTINUE INDOCHINA EFFORT. NO (RPT NO) INDICATION GIVEN RE SPECIFIC BREAKDOWN OF FIGURE, BUT UNDERSTANDING ON US SIDE WAS THAT IT MIGHT POSSIBLY BE \$300 MILLION ECON AID AND \$300 MILLION US MILITARY EXPENDITURES. OUR VIEW WAS THAT TO EXTENT MILITARY EXPENDITURES SHLD EXCEED \$300 MILLION, WE CLD REDUCE ECON AID FIGURE. IT WAS NOT (RPT NOT) CONTEMPLATED BY US THAT ECON AID WLD EXCEED \$300 MILLION. CONSEQUENTLY DO NOT (RPT NOT) ENVISAGE ASKING FOR TRANSFER TO FRANCE UNDER SECTION 101 (B) OF

~~SECRET~~

B.

~~SECRET~~
U. S. S. WILLIAMSBURG

U. S. Naval Gun Factory

WASHINGTON 25, D. C.

PAGE 2

MORE THAN \$138 MILLION AND THEN ONLY ON CONDITIONS AND ASSUMPTIONS SET FORTH ABOVE.

ANY ACTION WITH RESPECT TO A POSSIBLE TRANSFER SHLD BE HELD IN ABEYANCE PENDING FURTHER WORD FROM MR. HARRIMAN, WHICH WILL FOLLOW DISCUSSION BETWEEN HIM AND SECY DEF.

PLS BRING THIS TO PRESIDENT'S ATTENTION.

ACHESON

END OF ENCLOSURE

PARAPHRASE NOT REQUIRED. CONSULT COMPTON CENTER BEFORE DECLASSIFYING.

U. S. S. WILLIAMSBURG
U. S. Naval Gun Factory
U. S. Security Manual 10

U. S. S. WILLIAMSBURG
U. S. Naval Gun Factory
U. S. Security Manual 10

~~SECRET~~
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WING TELEGRAM

Department of State

ALT(RIF. SUBJ) 190

TELEGRAPH BRANCH

~~TOP SECRET SECURITY INFORMATION~~

Control. 11225
Rec'd. February 26, 1952
8:34 a.m.

FROM: Lisbon

TO: Secretary of State

NO: ACTEL 10, February 25, 9 p.m. (SECTION ONE OF TWO). 647

PRIORITY.

SENT PRITY DEPT ACTEL 10; RPTD INFO PARIS 88 FOR ABSOLUTELY EYES ONLY BONSAL AND LABOUISSSE.

WEBB FROM ACHESON.

PLEASE CALL ATTENTION PRESIDENT.

NO DISTRIBUTION EXCEPT LOVETT, SNYDER, HARRIMAN.

Following is American text of memorandum of understanding to be signed this afternoon after confirmation with French text. See ACTEL 9. Begin text.

1. In conformity with engagements undertaken in common in North Atlantic Treaty Organization and with specific reference to approval by Council on February 23, 1952 of supplementary report of Temporary Council Committee, the Government of France and Government of United States have made following arrangements:

1. The report of Temporary Council Committee recommended French military expenditures at 1190 billion francs in Oct 1951 prices, of which 1100 billion francs was to be financial contribution from France's own resources. This contribution was accepted by French Government as corresponding to economic and financial capabilities of the country. Since this report was prepared in addition to necessary adjustments for price increases, there has been an unforeseen increase in expenditures for military operations in Indochina. Faced with necessity of constituting forces in Europe as well as carrying these additional charges in Indochina, French Government has decided contribute to defense in excess of amount recommended in report. French Government underlines, however, that it considers this supplementary effort to have an exceptional character and stresses that level of its 1952 contribution is not (rpt not) to serve as a basis for any estimation which might subsequently be made by NATO organizations of capability of France to contribute to defense effort in 1953.

2. In consideration of this decision by French Government and subject to its approval by French Parliament, United States Government

~~TOP SECRET SECURITY INFORMATION~~REPRODUCTION OF THIS
MESSAGE IS PROHIBITED

By H.T. H.C. N.Y. 12-14-53

~~TOP SECRET SECURITY INFORMATION~~

-2- ACTEL 10, February 25, 9 p.m. (SEC ONE OF TWO), from Lisbon.

Government has decided, under conditions set out below, to modify its program of assistance to France out of fiscal year 1952 funds in a manner which will provide additional budgetary resources for defense effort to be carried out by France in 1952.

3. In view of these financial resources French Government has declared itself prepared establish defense forces set forth in Annex B of supplementary report of Temporary Council Committee as approved by North Atlantic Council in its meeting on February 23, 1952.

II. In accordance with this agreement Representative of United States Government informed French Government that program of assistance from US from fiscal year 1952 funds would be as follows:

1. An amount of \$500 million is to be made available to French Government from funds voted by Congress for fiscal year 1952 under Mutual Security Act. This \$500 million will give rise to financial resources in France which can be applied to defense expenditures foreseen in French budget for 1952.

The \$500 million is to be broken down in four categories:

(A) An amount of \$170 million in economic aid has already been made available to French Government.

(B) An additional amount of \$100 million in economic aid has been earmarked to be made available to French Government before March 15, 1952. It is understood that of this \$100 million an amount of \$25 million is to be available to French Government before end February 1952. The two governments agree that in future discussions to take place in Paris to determine utilization of French franc counterpart of American assistance, counterpart of this additional amount of \$100 million is to be earmarked for defense expenditures in Indochina.

(C) An amount of \$30 million will be applied to finance French orders for supplies in United States for needs of forces in Indochina. These funds are available for orders previously placed in United States by French Government.

(D) Remaining \$200 million will be provided under "off-shore purchase" contracts to be placed in France primarily for arms and equipment for forces in Indochina, and if funds of this amount cannot (rpt not) be fully utilized for forces in Indochina, for arms and equipment for French Forces in Europe, subject to following conditions:

1. Realization

~~TOP SECRET SECURITY INFORMATION~~

B.F.I.

1. Realization of these off-shore purchases is dependent upon conclusion very promptly of an agreement now (rpt now) being discussed between the two governments concerning taxes in France applicable to US expenditures in France for common defense and on coming into force of that agreement soon enough to permit off-shore program to be carried out.

ACHESOM

LMS : DMP



MORNING TELEGRAM

Department of State

NLT (P.F. SUBJ) 191

850

~~TELEGRAPH BRANCH~~
~~TOP SECRET SECRETARY INFORMATION~~

Control. 11361

Rec'd: February 26, 1952
1:08 p.m.

FROM: Lisbon

TO: Secretary of State

NO: ACTEL 10, February 25, 9 p.m. (SECTION TWO)

DECLASSIFIED

PRIORITY

Project NLT ~~13-14~~

SENT DEPT ACTEL 10, INFO PARIS 88.

By NLT ~~46~~ ... N.T.S. D-12-14

3. Subject to two reservations indicated under paragraphs 1 and 2 immediately above, US Govt will take all practicable measures to provide that French Govt will receive for balance of payments purposes \$200 million before end of June 1952 or in any case as soon thereafter as is administratively feasible although timing of actual payments of liabilities in France under contracts is to take place in accordance with terms of contracts. If US Govt so elects it may obtain this result by increasing sum of \$100 million foreseen under paragraph (B) above as a substitution for a comparable amount of off-shore purchases under \$200 million foreseen in this paragraph. US Govt may also substitute for part of \$200 million IGA program* program, if this cannot (rpt net) all be placed in France, purchase in US of items now (rpt new) budgeted by France for needs of forces in Indochina.

4. Off-shore purchases may, if US so elects, apply to contracts already placed if French Govt had been forced cancel such contracts.

5. US Govt is to elect items to be included in off-shore purchases program of \$200 million from contracts whitewash* scheduled for franc financing under French defense program for 1952 as defined in Section V below.

6. US Govt may if it so elects and with agreement of France Govt make a contract with letter for all or part of these items. Appropriate procedures are to be evolved permitting reps of US Govt participate in inspection of amfres* minimum quality standards of deliveries and in consultations to insure prompt payment arrangements with producing firms in France to encourage rapid production.

III. The two govts agree that receipts in dollars of French Govt coming from expenditures of American Forces in France, including contribution by US to infrastructure and purchases by US of materiel and supply are likely reach level of \$100 million before June 30, 1952. Accordingly present arrangements are considering superseding earlier discussions

relative to

~~TOP SECRET SECRETARY INFORMATION~~REPRODUCTION OF THIS
MESSAGE IS PROHIBITED

-2-ACTEL 10, February 25, 9 p.m., (SECTION TWO) from Lisbon.
relative to assistance to France from fiscal year 1952 funds.

IV. The two govts agree that the conversations now in progress with a view to facilitating the placement in France by the US of contracts for material, supply and labor, and for infrastructure, including airfields and other installations must be brought to a prompt and satisfactory conclusion in the interest of the common defense.

V. In view of the new program outlined by the representatives of the US in Section II above, which will provide budgetary assistance not previously foreseen, the French reps stated that the French Govt will provide for a military budget of 1400 billion francs in 1952 (according to NAT's definition kvhhjry* expenditures) peegwpjs* budget of 14, (approx 10 characters garbled) billion francs is to be based on provisions forces committed by France to NATO at ninth session of Council at Lisbon and included in Annex B of supply (approx 23 characters garbled) council comite, dated Feb 24, 1952.

VI. (A) The two govts recognize that French program of 1400 billion francs set out under Section V above will result, despite \$200 million off-shore purchases to be affected by US Govt, in cancellation of a certain number of production contracts and in severe curtailment of new contracts. Thus level of defense production in France will be seriously reduced.

It is therefore requested urgently by French reps that US Govt carry out purchases in France over and above program of \$200 million of off-shore purchases mentioned under Section II above, either for needs of French forces or for needs of Forces of US and of Forces of other countries of NATO. The reps of US indicated that this possibility was not (rpt not) excluded if prices and technical conditions were acceptable, without, however, being in position take any engagements on this subject. It was understood that French Govt (approx 150 characters garbled) (B) French Govt pointed out that in any case French program as set forth in Section V above will only permit French Forces be equipped in small measure from French financial resources. In view of this and changes in French military program French Govt requests a review of end-item program with a view to offsetting shortfalls in French production by a reprogramming of end-items and also to including if necessary a wider range of articles in end-item program for French Forces. French Govt requests strongly that any dels of end-items which may be feasible for these purposes be filled at least in part by production in France financed in accordance with paragraph (A) immediately above.

VII. Govt

B

~~TOP SECRET - EYES ONLY~~

3-ACTEL 10, February 25, 9 p.m., (SECTION TWO) from Lisbon.

VII. Govt of US makes clear that it is not (rpt not) able take any Engagement with regard to fiscal year 1953 funds including utilization of counterpart before Congress has voted necessary funds. Govt of France is informed however that in projected budget for fiscal year 1953 US Govt has made provision whereby amount of funds which could be made available to France under econaid and under off-shore purchase program for end-items could during course of that fiscal year be comparable to level available in fiscal year 1952. The Govt of US also points out that any additional resources in French francs which might become available to French Govt from these funds can be utilized only in connection with defense expenditures in France and only in course of calendar year 1953. End text.

Labouisse is requested make distribution of text to members of country team without ref to agreed minutes in reference cable.

ACKES ON

SWIMLS:RAW

NOTE: Correction to follow on garbled portions.



~~TOP SECRET - EYES ONLY~~

TELEGRAPH BRANCH

3/1/52, 8:20 a.m.

~~TOP SECRET SECURITY INFORMATION~~

CORRECTED PAGES 1 & 2

Control 11361

Recd: February 26, 1952 11
1:08 p.m.

FROM: Lisbon

TO: Secretary of State

NO: ACTEL 10, February 25, 9 p.m., (SECTION TWO).

DECLASSIFIED

PRIORITY.

NDC LETTER 12-1-53

Project EIT 23-10

SENT DEPT ACTEL 10, INFO PARIS 88.

D. H. H. C.

12-1-53

3. Subject to two reservations indicated under paragraphs 1 and 2 immediately above, US Govt will take all practicable measures to provide that French Govt will receive for balance of payments purposes \$200 million before end of June 1952 or in any case as soon thereafter as is administratively feasible, although timing of actual payments of liabilities in French francs under contracts is to take place in accordance with terms of contracts. If US Govt so elects it may obtain this result by increasing sum of \$100 million foreseen under paragraph (B) above as a substitution for a comparable amount of off-shore purchases under \$200 million foreseen in this paragraph. US Govt may also substitute for part of \$200 million procurement program, if this cannot (rpt not) all be placed in France, purchase in US of items now (rpt now) budgeted by France for needs of forces in Indochina.

4. Off-shore purchases may, if US so elects, apply to contracts already placed if French Govt had been forced cancel such contracts.

5. US Govt is to elect items to be included in off-shore purchase program of \$200 million from contracts which are scheduled for franc financing under French defense program for 1952 as defined in Section V below.

6. US Govt may if it so elects and with agreement of French Govt make a contract with latter for all or part of these items. Appropriate procedures are to be evolved permitting reps of US Govt participate in inspection to ensure minimum quality standards of deliveries and in consultations to insure prompt payment arrangements with producing firms in France to encourage rapid production.

III. The two govts agree that receipts in dollars of French Govt coming from expenditures of American Forces in France, including contribution by US to infrastructure and purchase by US of material and supply are likely reach level of \$100 million before June 30, 1952. Accordingly present arrangements are considering superseding earlier discussions

relative to

~~TOP SECRET SECURITY INFORMATION~~REPRODUCTION OF THIS
MESSAGE IS PROHIBITED

~~TOP SECRET SECURITY INFORMATION~~

-2- # ACTEL 10, February 25, 9 p.m., (SECTION TWO) from Lisbon.
relative to assistance to France from fiscal year 1952 funds.

IV. The two govts agree that the conversations now in progress with a view to facilitating the placement in France by the US of contracts for material, supply and labor, and for infrastructure, including airfields and other installations must be brought to a prompt and satisfactory conclusion in the interest of the common defense.

V. In view of the new program outlined by the representatives of the US in Section II above, which will provide budgetary assistance not previously foreseen, the French reps stated that the French Govt will provide for a military budget of 1400 billion francs in 1952 (according to NAT's definition of def expenditures).

This budget of 1400 billion francs is to be based on provisions foreseen committed by France to NATO at ninth session of Council at Lisbon and included in Annex B of supplementary report of Temporary Council Comite, dated Feb 24, 1952.

VI. (A) The two govts recognize that French program of 1400 billion francs set out under Section V above will result, despite \$200 million off-shore purchases to be effected by US Govt, in cancellation of a certain number of production contracts and in severe curtailment of new contracts. Thus level of defense production in France will be seriously reduced.

It is therefore requested urgently by French reps that US Govt carry out purchases in France over and above program of \$200 million of off-shore purchases mentioned under Section II above, either for needs of French forces or for needs of Forces of US and of Forces of other countries of NATO. The reps of US indicated that this possibility was not (rpt not) excluded if prices and technical conditions were acceptable, without, however, being in position take any engagements on this subject. It was understood that French Govt would present to Govt of US a list of equipment which is now (rpt now) being produced in France or which could be undertaken within very short time for possible procurement by US. (B) French Govt pointed out that in any case French program as set forth in Section V above will only permit French Forces be equipped in small measure from French financial resources. In view of this and changes in French military program French Govt requests a review of end-item program with a view to offsetting the falls in French production by a reprogramming of end-items and also to including if necessary a wider range of articles in end-item program for French Forces. French Govt

requests strongly

~~TOP SECRET SECURITY INFORMATION~~

~~TOP SECRET SECURITY INFORMATION~~

-21- # ACTEL 10, February 25, 9 p.m., (SECTION TWO) from
Lisbon.

requests strongly that any dels of end-items which may be feasible for these purposes be filled at least in part by production in France financed in accordance with paragraph (A) immediately above.

VII. Govt

IMS:RCC



COMING TELEGRAM

Department of State

NLT (AFK-5065) 182

938

TELEGRAPH BRANCH
~~TOP SECRET SECURITY INFORMATION~~

-22

8

R

RM

FROM: Lisbon

Control: VR-303

Rmt: February 26, 1952
8:30 p.m.

TO: Secretary of State

NO: ACTEL 12, February 26, 9 p.m.

NIACT

SENT DEPT ACTEL 12, RPTD INFO PARIS 101

Re ACTEL 10, rptd Perie 88

In first sentence para III add "for its own use" after
word "supply".

First sentence VI (B) shld read "The French Govt pointed
out that, in any case, the French program as set forth in
Section V above will only permit Fr forces to be equipped
in small measure from the French financial resources fore-
seen."

BA:NEH

ACHESON

DECLASSIFIED

WFC LETTER 12-1-63

Re: 101-63-11

Re: 101-12-12-43

~~TOP SECRET SECURITY INFORMATION~~

REPRODUCTION OF THIS
MESSAGE IS PROHIBITED

TELEGRAPH BRANCH
~~FOR SECRET SECURITY INFORMATION~~

152

Cable 11865

Rcv. February 27, 1952

2:49 p.m.

FROM: Lisbon

TO: Secretary of State

NO: ACTEL 14, February 26, 5 p.m.

SENT DEPT ACTEL 14; RPTD PARIS 98 (FOR ABSOLUTELY EYES ONLY
BONSAL AND LABOUISSE).

WEBB FROM ACHESON

PLEASE CALL ATTENTION PRESIDENT. NO DISTRIBUTION EXCEPT LOVETT,
SNYDER, HARRIMAN.

Re ACTEL 9, February 25 rptd Paris 84.

1. Change last sentence of third comment by Lovett to read as
follows: "With reference \$200,000,000 these funds could be
utilized for placing new contracts representing production in
progress if the French Govt should find itself obliged to cancel
such contracts."

2. Change Faure's last comment to read as follows "Which would
result from the present situation not (rpt not) only with regard."

ACHESON

DU:BX

DECLASSIFIED

NSC LETTER 12-1-63Project: 63-18By NLS AC, 1-26, Dtd 12-17-13

January 14, 1950

MEMORANDUM FOR THE PRESIDENT.

Subject: Presidential Approval of North Atlantic Pact Documents.

The two papers presented to the President by the Secretary of State concerning the North Atlantic Pact are ready for the President's approval. These papers are: "Strategic Concept for the Integrated Defense of the North Atlantic Area" and "A Concept for Providing the Production and Supply of Munitions under the North Atlantic Treaty." The Secretary of Defense concurs in the Secretary of State's recommendation that the President approve these papers.

Because certain negotiations are still being carried on by the Department of State, State requests that the White House make no announcement of the President's approval of these papers prior to January 18. It is possible that a delay in negotiations may require the announcement of the President's approval to be delayed beyond January 18. The President will be kept informed of State's desires in this respect.

The Bureau of the Budget is preparing an Executive Order and an implementing letter from the President to the Secretary of State, both of which should be signed at the time the White House announces the President's approval of these documents.

The Department of State is preparing a press release for Mr. Rose's use. No ceremony is necessary.

Respectfully,

CLARK M. CLIFFORD

~~TOP SECRET~~

MLT (PSP.CEN)202

THE SECRETARY OF DEFENSE
WASHINGTON

July 14, 1960.

Dear Mr. President:

I enclose a joint statement signed by the Secretaries of the Army, Navy and Air Force and by the Joint Chiefs of Staff, addressed to me, and making certain recommendations as to United States policy with respect to the North Atlantic Treaty Organization.

I approve heartily the statements contained in this memorandum to me and urge them upon you for favorable consideration.

Respectfully yours,

Lucius D. Clay

The President

The White House.



DECLASSIFIED

E.O. 12065, Sec. 3-8P

DOD Directive 5100.30, Date 7-17-76

By MLT-~~46~~ NARS, Date 7-27-83

~~TOP SECRET~~

TS2406

July 13, 1950

MEMORANDUM FOR SECRETARY JOHNSON

The three Secretaries and the Joint Chiefs of Staff submit the following to you in connection with the current arrangements for the carrying out of the North Atlantic Treaty.

(1) The North Atlantic Treaty affirmed the policy of the United States that the defense of the Atlantic area including Western Europe is a vital part of the defense of the United States. The successful carrying out of the North Atlantic Treaty is essential to the defense of the United States and to the fulfillment of the U. S. world leadership.

We believe that the implementation of this policy is as important as the policy itself. Unless the implicit promises which the North Atlantic Treaty holds out to the European peoples are in fact realized the disappointment of the Europeans and the consequent disintegration of the Atlantic community will result.

At the present time General Bradley, acting with the advice of the Joint Chiefs of Staff, is working with the NATO countries on a revision of the NATO Medium Term Defense Plan which provides for the participation by the United States in the Atlantic military force and for the contributions which the other NATO countries will make to this force. This revised Medium Term Defense Plan will require, according to agreed decisions of the Joint Chiefs of Staff, an increase in the size of the United States military establishment as well as an increase in that of most of the other NATO countries. NATO is now preparing an estimate of the forces required and the contributions to be made by each participating country.

Most of the NATO countries find themselves in the position where the charges on their budget which will result from carrying out the Medium Term Plan will be most difficult to bear.

TOP SECRET
TOP SECRET

DECLASSIFIED
E.O. 12958, Sec. 3-2
DOD Directive 5100.30, 1-9-84
By NLT- NARS, Date 02-25-85

C-1073

~~TOP SECRET~~

(2) The creation of the forces necessary to make the NATO Medium Term Plan effective, will add materially to the security of the United States. It seems necessary and just therefore that the United States should bear not only the increased cost in its own military establishment but also should aid in closing in the gap between what the other NATO countries will be required to do and what they will be able to do. This then would bring an increase in American military expenditures of these two types.

Similarly in other critical areas, such as Greece - Turkey - Iran and the Western Pacific, it is necessary that the forces necessary to our security be maintained.

It is regrettable that at this time, in addition to the increased expenditures resulting from the Korean war, the American taxpayer should be required to bear an additional burden. On the other hand, we are already bearing a part of this burden in the cost of our own military establishment and our expenditures under EDAP and under the European Recovery Program.

We believe that the principle should be accepted that the United States take on this additional commitment as a part of its own defense and of the Western society of which it is a part. However the undertaking of this additional responsibility should be conditional upon the other NATO countries doing their full share and of satisfying the United States that they are doing their full share. This is not to say that the United States should dictate what they shall do; it is only to say that the United States has the right to specify the conditions upon which it will make its own contributions to NATO.

In the present critical situation encouragement should be given to the countries concerned as to our

~~TOP SECRET~~
~~TOP SECRET~~

B

~~TOP SECRET~~

intention to see that the North Atlantic Treaty and our equivalent commitments in other regions are made realistically effective. An appropriate announcement in the near future would be well timed and exceedingly valuable.

Frank Pace Jr. Thomas P. Matthews Robert F. Fulmer
Secretary of the Army Secretary of the Navy Secretary of the Air Force

Omear H. Bradley
Chairman, The Joint Chiefs of Staff

Lewis G. Harold Walter H. Hensley James H. Doolittle
acting Chief of Staff, USA Chief of Staff, USA Chief of Naval Operations.

~~TOP SECRET~~

CONFIDENTIAL

THE SECRETARY OF DEFENSE

WASHINGTON 25, D. C.

30 AUG 1950

MEMORANDUM FOR THE PRESIDENT

The status of planning for the defense of the North Atlantic Area has progressed to the point where early decisions and recommendations by the Defense Ministers will be helpful in carrying forward future action under the Treaty.

General Bradley and I have issued invitations for the Defense and Military Committees of the North Atlantic Treaty Organization to meet in Washington on October 16 and 17, respectively. It is planned to make a public release of this invitation at 12:00 o'clock, Eastern Daylight Time, 31 August 1950.

I have also invited the Defense Ministers to undertake a short technical inspection trip from October 18 through October 20, 1950.

Respectfully yours,



DECLASSIFIED

E.O. 12958, Sec. 3-402

DDO Directive 5400.30, 1-11-1994

By NLT-ML GAGG, Date 10-12-13

CONFIDENTIAL

C2700

IMMEDIATE RELEASE

66
North Atlantic
Treaty
STATEMENT BY THE PRESIDENT

SEPTEMBER 9, 1950

On the basis of recommendations of the Joint Chiefs of Staff, concurred in by the Secretaries of State and Defense, I have today approved substantial increases in the strength of United States forces to be stationed in Western Europe in the interest of the defense of that area. The extent of these increases and the timing thereof will be worked out in close coordination with our North Atlantic Treaty partners. A basic element in the implementation of this decision is the degree to which our friends match our actions in this regard. Firm programs for the development of their forces will be expected to keep full step with the dispatch of additional United States forces to Europe. Our plans are based on the sincere expectation that our efforts will be met with similar action on their part. The purpose of this measure is to increase the effectiveness of our collective defense efforts and thereby insure the maintenance of peace.

- - -

Filed
OCT 27 1950

ADMINISTRATIVE, COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON, D. C.

DEPARTMENT OF STATE

WASHINGTON

October 26, 1950



66

*North Atlantic Treaty
Organization*

MEMORANDUM FOR MR. CONNELLY:

Attached is a list submitted by the Department of x550
the Army of the members of North Atlantic Treaty Organi-
zation countries who will call on the President on x N. C.
Monday, October 30, at 12:00 noon.

John F. Simmons
John F. Simmons
Chief of Protocol x20



Enclosures

List.

x66 *North Atlantic Treaty*
x66

LIST OF NATO REPRESENTATIVES WHO WILL
CALL ON THE PRESIDENT
1200 hours 30 October 1950

BELGIUM

Minister of National Defense: His Excellency Colonel E. V. G. A. De Greef

Senior NATO Military Advisors: Lt. General E. Baels
Chief of Staff, Army

CANADA

Minister of National Defense: His Excellency The Honourable Brooke Claxton

Senior NATO Military Advisors: Lt. General Charles Foulkes
Chairman, Chiefs of Staff Committee and
Chief of the General Staff

DENMARK

Minister of Defense: His Excellency Rasmus Hansen

Senior NATO Military Advisor: Lt. General E. Goertz
Chief of Staff, Army

FRANCE

Minister of Defense: His Excellency M. Jules Moch

Senior NATO Military Advisor: General Charles Lecharrier (4 stars)
Chairman, Joint Chiefs of Staff and
Chief of Staff, Air Force



ICELAND

Minister of Defense: His Excellency Thor Thors

Senior NATO Military Advisor: None

LIST OF NATO REPRESENTATIVES WHO WILL CALL ON THE PRESIDENT -- Continued

ITALY

Minister of Defense : His Excellency Randolfo Pacciardi
Senior NATO Military Advisor: General Claudio Trezzani (4 stars)
Chief of Staff, Army

LUXEMBOURG

Minister of Luxembourg: His Excellency W. Le Gallais
Senior NATO Military Advisor: Colonel Aloyas J. Jacoby
Chief of General Staff, Army

NETHERLANDS

Minister of War: His Excellency W. L's Jacob
Senior NATO Military Advisor: General Doeter W. G. Kruls (4 stars)
Chairman, Joint Chiefs of Staff

NORWAY

Minister of Defense: His Excellency Jens Chr. Haug
Senior NATO Military Advisor: Lt. General Ejarne Gen
Chief of Staff, Air Force



PORTUGAL

Minister of Defense: His Excellency Lt. Colonel Fernando dos Santos Costa
Senior NATO Military Advisor: General Anibal Passos e Sousa (4 stars)
Chief of Staff, Portuguese Armed Forces

UNITED KINGDOM

Minister of Defense: His Excellency the Right Honourable W. Shinwell
Senior NATO Military Advisor: Field Marshal Sir William Slim
Chief of the Imperial General Staff

HARRY S. TRUMAN LIBRARY
Papers of
HARRY S. TRUMAN
OFFICIAL FILE

UNITED STATES

General Omar Bradley, Chairman, Joint Chiefs of Staff

Colonel Hayden Beebe, Office of the Secretary of Defense

Colonel A. J. Drexel Biddle, Department of the Army, Office, Assistant Chief
of Staff, G-2

THE WHITE HOUSE

WASHINGTON

October 18, 1950.

OK

MEMORANDUM FOR MR. CONNELLY:

Re the attached appointment for eleven Ministers of Defense of North Atlantic Treaty Organization, now set for twelve noon, October 30th; Admiral Dennison's office has been asked by Secretary of Defense whether they should be allowed to bring along their principal military assistants. Each one will have a Chief of Staff, or some such equivalent. The Admiral wants you to say whether they should bring along these military men.

ADMINISTRATIVE, CONFIDENTIAL, AND
OFFICIAL RECORDS OF THE
DEPARTMENT OF STATE



DEPARTMENT OF STATE
WASHINGTON

Oct 30
noon

Nov. 2
noon

September 26, 1950

MEMORANDUM FOR MR. CONNELLY:

Colonel A. J. Braxel Biddle,^x Foreign Liaison Officer of the Department of the Army, has taken up with the Department the possibility that the President might be willing to receive, on October 30, the eleven Ministers of Defense of the North Atlantic Treaty Organization countries. *1234-73*

These Ministers will be visiting Washington at the invitation of the Secretary of Defense and it is at the latter's suggestion that this request is being made.

They will be here from October 24 to November 2. If the President should find it convenient to receive the Ministers at a given hour, this hour would be established as a part of their program. During their stay they will tour various service installations.

This request, it seems to me, merits serious consideration.

OK.
H.S.

H.C.S.

H. Charles Spruke
Acting Chief of Protocol

NLT (CF) 96

C.F.

THE SECRETARY OF DEFENSE

North Atlantic Treaty Organization

JAN 2 1951

MEMORANDUM FOR THE PRESIDENT

At their Brussels meeting, the North Atlantic Defense Ministers agreed to the immediate establishment in London of a North Atlantic Defense Production Board with the objective of achieving the maximum production of military equipment to meet the requirements of NATO. As you know, at that meeting Mr. Pace announced the designation of Mr. William L. East as the United States member of this Board.

The key position in this organization will be that of Director of NATO Defense Production who, by agreement, would be an American. As over-all coordinator of production of the NATO member nations, the individual selected for this position will bear an important responsibility second only to that of the Supreme Commander. As its first order of business the Board will meet shortly to appoint the Director. It is considered that an individual of prominence and demonstrated leadership in United States industry, as well as of considerable international distinction should be nominated by this government.

Consultations between Mr. Charles Wilson, Mr. Averill Harriman, Mr. William Foster, General Lucius Clay, Mr. Sidney Weinberg, Mr. J. D. Soall, Mr. George Perkins and Mr. Karl E. Bendtsen (representing Mr. Frank Pace) have resulted in agreement among them that the persons named on the attachment are qualified. Any of these persons would be acceptable to General Eisenhower. I recommend them to you in the order named. There is general agreement that Borod is the outstanding candidate and that every effort should be made to obtain his services. No steps have been taken, however, to determine the availability of any of those listed pending an indication from you of their acceptability or of your further desires respecting potential nominees.

Upon receipt of an expression of your desires in this matter, I would propose, with your approval, to undertake, in collaboration with Mr. Charles Wilson, to determine the availability of, and transmit to the Defense Committee the name and qualifications of the individual so designated.

Attachment as described.

*Defense Dept.
Defense Mobilization*

1 Incl

[Signature]

T 513

POTENTIAL NAMES FOR THE DIRECTOR OF
NAVO DEFENSE PRODUCTION.

- | | |
|--|---|
| 1. <u>William Rogers Eberd</u>
570 Lexington Avenue
New York City, N. Y. | President,
International General Electric
Company |
| 2. <u>Louis H. Brown</u>
22 East 40th Street
New York City, N. Y. | Chairman of the Board
Johns Manville Company |
| 3. <u>Harold Boeschstein</u>
w/o Owens-Corning Fiberglass Corp.
Toledo, Ohio | President,
Owens-Corning Fiberglass Corp. |

DEC 1 1952
Sida L. J. 1
By _____ 6.22.54

SECRET

DEPARTMENT OF STATE

THE SECRETARY

January 5, 1951

Mr. President:

As you requested when I saw you yesterday at 12:30, I attach an outline of my presentation to General Eisenhower on the problem of how we must proceed in implementing the North Atlantic Treaty so that we can develop the necessary defensive strength to deter aggression, or to contain it should it occur.

You may find this of some value in your meeting with the General tomorrow.



Attachment

Memorandum for the
President, dated
January 5, 1951

DECLASSIFIED

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By NLT: ALG MJS, DTH CMB: A2

DEPARTMENT OF STATE
WASHINGTON

January 5, 1951.

MEMORANDUM FOR THE PRESIDENT

Subject: Outline of Secretary Acheson's Presentation of
North Atlantic Treaty Problems to General
Eisenhower on January 4, 1951.

A. Background of the Development of the North Atlantic Treaty

At the conclusion of World War II, despite the major social, political, and economic dislocations which had occurred, it was hoped that the unity of purpose and of effort which the allies had shown in working together during the war would result in a peaceful era of reconstructions, and particularly that the Soviet Union would cooperate to this end and with the democratic powers.

This hope, which was shared by all democratic powers, was illusory because of the attitude and policy of the Soviet Union, which soon made it clear through its overt actions, and indirectly through the acts of various Communist Parties that it was bent upon a policy of ruthless expansion aimed at world domination.

Furthermore, the possibility of such expansion was made easier because the social, political, and economic dislocations in Western European countries, which have a highly developed and complex structure, were much greater than the dislocations within the more primitive and totalitarian organism of the Soviet Union, and the elimination of two great powers — Germany and Japan — had greatly increased the relative world strength of the Soviets.

It became apparent that to resist these Soviet efforts to cause the disintegration of the Western European countries, economic stability must be reestablished. This was a prerequisite of social and political stability and hence of the maintenance of democracy in these countries.

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When it became clear that our immediate post-war relief measures were not sufficient, the Marshall Plan was adopted to build the necessary economic strength to insure the preservation of democratic systems.

While the Marshall Plan resulted in great strides toward economic stability in Western Europe, it was not in itself sufficient to create the necessary defensive strength or to allay the paralyzing fear psychosis which prevailed as a result of the complete defenselessness of the area.

In the face of this situation, the United States took leadership in formulating the North Atlantic Treaty. This Treaty is not simply a military treaty, but is a vehicle for closer political, economic, and security cooperation in the North Atlantic community. It is a most fundamental part of our foreign policy, and with the Inter-American Treaty it is the foundation of our security system. The North Atlantic Treaty is of the utmost importance because while it is technically limited to the North Atlantic area, the Treaty countries actually exercise some control over a vast bulk of the strength of the free world. What happens in Western Europe has direct political and economic repercussions in Africa, the Middle East, the Far East, and Latin America.

For these reasons, the North Atlantic Treaty, if effectively implemented, would strengthen the ability of the entire free world to resist Soviet aggression.

3. Where the North Atlantic Treaty Stands Today.

The first fifteen months of the existence of the North Atlantic Treaty have been spent largely in creating the necessary organizational structure and developing plans. The time has now come, however, when plans must be translated into action. While all the other Treaty countries sincerely believe in the objectives of the North Atlantic Treaty, they have not shown the same sense of urgency as has the United States since Korea.

The principal task of the United States is to give the necessary leadership, assistance, and direction to this great collective effort and to galvanize the European countries into action so that they will press forward and, without undermining their basic economic stability, which is essential, will nonetheless make the necessary effort and sacrifices which are important if we are to develop adequate strength to deter aggression or successfully to contain it should it occur.

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This is a most difficult but fundamental task, for we cannot be successful in our effort to redress the balance of military strength unless the other North Atlantic Treaty members are willing to make effort and sacrifice comparable to ours.

Our tactics in bringing the other countries along with us must not consist simply in constant pressure and warnings that others must do more. We must — if we are to succeed — set the example by our actions and establish firmly in the minds of the Europeans our determination to proceed to the building of adequate strength, which is the best hope for peace.

C. Views of the North Atlantic Treaty Countries toward the United States.

The North Atlantic Treaty countries fully recognize that United States leadership is essential. They believe that the necessary defensive strength, however, can only be attained if the United States makes full and active contribution.

At the same time, they fear the inconsistency of United States purpose in Europe. They believe that we are prone to arrive at sudden conclusions, that we try to push too rapidly ahead without fully thinking through our policy, and that we are inclined to abandon projects which do not show immediate signs of succeeding. These European fears and apprehensions can only be overcome if we move forward with determination and if we make the necessary full and active contribution both in terms of military forces and economic aid.

If we pursue this course, we will be in a much better position to exercise pressure on the Europeans to do what is necessary. In other words, it is our example, rather than threats and warnings, which will induce them to move ahead at the same pace with us.

There is also a belief that the United States is more prone to adopt an aggressive attitude toward the Soviet Union than is wise. They are very apprehensive about the situation in the Far East and are inclined to doubt that there is the necessary coordination between our military in Korea and the policy of the United States Government.

D. Differences between Northern and Southern European Treaty Countries.

The Northern European countries consisting of the United Kingdom, Norway, Denmark, and the Netherlands, have only small Communist Parties, and therefore have to deal with a relatively minor internal Communist threat. These countries are law-abiding

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and have sound governmental structures, with the result that they are in a better position to establish the controls necessary for an all-out defense effort. In general, their public credit and internal financing is good, or at least sufficient to permit sound financing of a considerable part of their defense effort. They have been reluctant to make an all-out effort because their policies have heretofore placed greater emphasis on social advancement rather than on security. While it has thus far been difficult to get them to undertake as effective programs, it is believed that they are now prepared to face up to reality.

The Southern European North Atlantic Treaty countries (Belgium, Luxembourg, France, Italy, and Portugal), by very reason of their latin nature, suffer from emotional, political, and social instability. They are prone to swing from over-optimism to deep pessimism, depending on how they view the situation of the immediate present. They have strong Communist Parties which exercise a corrosive influence on national morale. They are more subject to the desire to be "neutral". Despite this, their governments have a real desire to move ahead in the building up of the necessary strength.

If the proper leadership is exercised by the United States, it should be possible to get them to take the steps which are necessary. The general public in these countries is inclined to be apathetic now because of their defenseless condition and because of doubt that adequate strength can ever be achieved. If they see real progress and if the place of the Soviet Union, which are an unknown quantity, give time, it is believed that as North Atlantic Treaty strength starts building up there will be real public support of our common effort with the attendant willingness to make sacrifices which at present they are reluctant to do because they are not convinced that the sacrifices will result in the attainment of the goal.

D. Germany.

It is of the greatest importance that we adopt a policy which will tie Germany in solidly with the West. It is also most important that Germany contribute to the collective defense of the West. However, the great publicity over the question of German participation in Western defense has had an adverse effect within Germany, and has perhaps tended to exaggerate in the eyes of the Germans the importance of the immediate German contribution. This places the Germans in a bargaining position where they can attempt to fix maximum and even unreasonable conditions. We should proceed with our plans to integrate Germany solidly with the West so that it can be a fellow-member of the democratic community, and let the rearmament of Germany follow as a normal part of this process.

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This procedure, coupled with the build-up of real North Atlantic Treaty defensive strength in Europe, will provide a much greater inducement than efforts first to have Germany make a military contribution.

F. Conclusions.

General Eisenhower is in a unique position to galvanize all of Western Europe into action. The Europeans have no confidence in the ability of international committees or councils to take effective action, and they subconsciously wish to give their support to an outstanding individual in whom they have trust and confidence. Despite this, General Eisenhower faces a most difficult and formidable task, and his mission can only succeed if the United States is willing to make the necessary effort and sacrifices and to give him full support.

At the present time, in terms of the security and indeed the survival of the United States, there is no alternative but to press ahead with our program of building adequate collective defensive strength. We must proceed on this course, for if we do not, Western Europe, with its tremendous manpower and industrial potential, will disintegrate and rapidly fall within the Soviet orbit. This in turn will result in Africa and the Middle East rapidly following, with obvious implications in terms of the American Republics. In other words, if we do not press ahead, we risk standing alone in a world whose manpower and resources are dominated by the Soviet Union and aimed at our destruction.

January 8, 1951

MEMORANDUM FOR: Honorable George C. Marshall
The Secretary of Defense

This is to confirm my conversation with Colonel Carter to the effect that there will be no objection to your recommending any of the three gentlemen listed in your memorandum of January third addressed to the President.

By direction of the President:

DONALD S. DAWSON
Administrative Assistant
to the President

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F. J.
Lester D. G. G.
By AK :

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JAN 10, 1951
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~~TOP SECRET~~

BARRE S. JENNINGS
President's Secretary
Files

THE WHITE HOUSE
WASHINGTON

February 6, 1951

MEMORANDUM FOR THE PRESIDENT:

I am attaching notes of General
Eisenhower's secret report to you
and the Cabinet last Wednesday, Jan-
uary 31, 1951.

Respectfully,

G. M. E.
GEORGE M. EISEN

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MEETING OF GENERAL EISENHOWER
WITH THE PRESIDENT
AND THE CABINET
WEDNESDAY, JANUARY 31, 1951

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MEETING OF GENERAL EISENHOWER WITH THE PRESIDENT AND THE CABINET

WEDNESDAY, JANUARY 31, 1951

The following persons were present:

The President
General of the Army Dwight D. Eisenhower
The Vice President
The Speaker of the House
Dean O. Acheson, The Secretary of State
John W. Snyder, The Secretary of the Treasury
General George C. Marshall, The Secretary of Defense
J. Howard McGrath, The Attorney General
Jesse M. Donaldson, The Postmaster General
Oscar L. Chapman, The Secretary of the Interior
Charles F. Brannan, The Secretary of Agriculture
Charles Sawyer, The Secretary of Commerce
Maurice J. Tobin, The Secretary of Labor
W. Stuart Symington, Chairman, National Security
Resources Board
Charles E. Wilson, Director of Defense Mobilization
W. Averell Harriman, Special Assistant to the President
John R. Steelman, The Assistant to the President
George M. Elsey, Administrative Assistant to the President

The President and General Eisenhower entered the Cabinet Room

at 2:35 P.M. After General Eisenhower had greeted those present, the President invited him to take a seat at the end of the table so that he could be seen by all those present.

The President said that he had asked "Dw" to tell the Cabinet what he had seen in Europe and to report some of the things he had told the President at lunch.

General Eisenhower began by reminding everyone that he had been asked to be Supreme Allied Commander of the military forces of 12 governments. The purpose of his command was to defend Western Europe. It was, he said, a sad commentary on the state of the world that we had to spend so much of our energy at this time on building up defenses

of Europe. Western Europe is the seat of our culture and our civilization. Our literature, our art, our religions, our system of government and our ideas of justice and democracy all came from Western Europe. In Western Europe there are about 350 million people, tremendous industrial capacity, and a highly skilled and educated population. Why, General Eisenhower asked, since Europe has all of these resources, is there so great a fear of Russia? Why should Europe be afraid of 190 million backward people?

General Eisenhower said the answer was simple; there is unity on the part of the Russians and disunity on the part of the West. Russian unity is forced unity, it is unity at the point of a bayonet, but it is still unity. General Eisenhower said he conceives his job as being in large part an effort to bring about a unity in the defense of Western Europe and, he said, if he could succeed in doing that, most of the danger would end.

"My first job" General Eisenhower said, "was to go around these countries and find out what they had in their hearts. I wanted to see how they feel about these questions." His itinerary had included (in this order) Paris, Brussels, The Hague, Copenhagen, Oslo, London, Lisbon, Rome, Luxembourg, Germany, Paris, Iceland and, finally Ottawa.

Every place he went, Eisenhower said, he recited to officials the advantages which the West possesses. He got everybody to agree that the Western nations could tell Russia to go to hell if they only would get together, raise enough arms, and produce enough equipment. There was agreement on this, because everywhere he went he found that there was confidence that the communists in Western Europe presented no grave menace and the opposition could be overcome.

General Eisenhower spoke at some length as to the nature of communism in Western Europe, as it appeared to him on this visit. He felt that there is only a small hard-core of communists in each country, even in France and Italy, where supposedly the communists are fairly strong. He admitted that there was a fanatic, highly organized core which is very skillful in getting a fairly sizeable number of people to vote communist in elections, but he thinks that most of the people who vote the communist ticket really don't care very much about it and would drop away in time of trouble. The real communist danger at the moment is in its latest manifestation, that of "neutralism." The communists are busy fostering the idea of a "third force." They are trying very hard to persuade large numbers of people that Western European countries ought to be neutral. This appeals to the timid folks, and, the indecisive ones who don't want to have to make up their minds.

Neutrality is only a wishful hope, Eisenhower said, but we have to recognize that it has a fairly wide appeal. Neutrality has a number of Western European leaders worried, especially Flenoy, and neutrality is definitely a drag on French efforts and probably will be until after the General Elections are held about six months from now.

General Eisenhower said that, while he had found general agreement on the principles of a unified defense for Europe and general agreement that such defense could be successfully organized, he found it much tougher in trying to reach an understanding with each country as to its contribution. At each stop he would ask the question "What are you going to do? You have to tell me exactly what you are going to do so that I can report back to the United States Government."

The answers to this question, Eisenhower said, all tripped on one hard tough fact. That fact is the poverty, the extreme poverty of Western Europe. General Eisenhower said he had found that this poverty meant that no one yardstick could be used to measure the contributions of the various countries. We couldn't, for example, expect the Western Europeans to spend the same percentage of their budget on defense that we are going to spend. They are so desperately poor that some of them just can't spend any more than they are already doing. In Norway, for example, the people live on fish and potatoes and many of them are

just scratching out an existence. Despite their poverty, the Norwegian Cabinet has just voted an increase in their defense budget. It doesn't look like much of an increase to us, but it will mean a lot on their standard of living. Incidentally, General Eisenhower remarked, we certainly don't need to have any doubts about Norway. The Norwegians went through one occupation and they aren't going through another one. He is convinced that they will resist to destruction rather than give in to the Russians.

Another country that is trying hard is France. France has just increased her military service to 18 months. That may not look like much to some people over here, since we already require 21 months and are trying to raise it, but the French don't permit any exemptions -- no deferments at all. General Eisenhower spoke of a specific case of a widow who had lost four sons in World War II, and her fifth and last son was about to go into the army. People accepted things like that in France and nobody got deferred.

Every country, Eisenhower said, seemed to him to be trying hard except Holland. He can't understand Holland or the attitude of the Dutch. All they seem interested in is a navy, which doesn't make any sense to him, when they ought to be worrying about the land defenses of Holland.

Britain has stepped up her military program tremendously, and General Eisenhower expressed his conviction that the British were pushing hard. He was especially impressed with Shimwell's efforts. Shimwell was running the British Chiefs of Staff as they have never been run before. A short time ago they recommended against sending more divisions to Europe and Shimwell had told them to get the divisions over there, or he would get some new Chiefs.

General Eisenhower said he didn't have much to say about Portugal. Portugal can't reach Europe except by going through Spain. What they were most interested in at the time is getting Spain into Western European defense in some manner or other. The Portugal Dictator Salazar impressed General Eisenhower especially.

Rome had worried him some, before he got there, because he had heard what the Italian communists were going to try to do. However, once he arrived, he was impressed by two facts, De Gasperi's government is really tough with the communists and really on top of the situation. He did not see a single communist demonstrator while he was in town. A second fact that impressed him was the conviction of the Italian leaders that their men could and would put up a good fight if they had to. Eisenhower himself was beginning to believe this. The Italians told him, he said, that their own men were very much underrated because of their

record in World War I and II, but they explained this by saying they have not had, in modern times, a cause they could put their hearts in. In World War I, the leaders had sat on the fence and held out for the highest price, while in World War II Mussolini had done the same thing. Eisenhower said he was convinced that if Italy had the cause and had the leaders, she could fight. He thought the present Italian Government was doing a pretty good job of providing both.

Luxembourg also presented an optimistic picture. Of course, Luxembourg is tiny and doesn't count for much in terms of men. There are only 300,000 in the whole country. But Luxembourg has just put in universal military service and they seem eager to do all they can. What they need right now is equipment for their men going into the service and General Eisenhower said he had succeeded in getting a promise of enough equipment for Luxembourg when he was in Canada. He said the Luxembourgers had the finest kind of spirit, and he had told them they were leading everyone in morale.

As for Germany, General Eisenhower said, he thought that too many Americans talked too much out loud about Germany. He, personally, would like to have German troops under his command. He had good reason to know what kind of fighters they made. But he did not want Germans in his command unless they came in without conditions and without

strings attached. He had made this very clear to all the German leaders he had spoken to and he had made it equally clear that he didn't give a damn about their quarrels with France. They could settle that themselves, but they certainly weren't going to use his command as a place or as a means to bargain for improving their condition. He wants their own but he doesn't want them if it means coming to some kind of terms. Eisenhower said that he had given his opinions very frankly and very bluntly to German leaders, and they seemed to understand.

To conclude the report of his trip, Eisenhower said that he found a "growing confidence" everywhere and that it was evident things were progressing.

As for the matter of military equipment, we have a lot to do here at home. "What we need is a rapid conversion of our economy so that we can get the equipment to these people. We've got to get them the equipment to end this idea of australism. I don't know how fast Charlie Wilson is producing tanks, but I know it's not fast enough. What we need is speed, more speed, and more speed in production. They're being told by the communist press in every country that it's no use, that we can't get the stuff there in time." Let's go ahead and give them the stuff, Eisenhower said, and not be slow about it or decide

to do it just if they make the right kind of speeches or spend a particular percentage of their budget. After all, we must remember that some of their leaders are in grave danger all of the time. So are their families and all of their relatives. Europeans can't always talk the way we would like to hear them talk, Eisenhower said, and we ought to realize that. "They can't talk like I'm doing now, I'm not close to the Kremlin, they are; they're right under the walls."

"Gentlemen," Eisenhower said, "there is only one thing for us to do and that is get this combined spiral of strength going up. These people believe in the cause. Now, they have got to believe in themselves. They have got to have confidence that they can do the job. The way we can give them that confidence is by sending equipment and by sending some American units over there to help morale."

General Eisenhower then turned to his strategic conception of the defense of Europe. Europe appears to him to be shaped like a long bottleneck. The wide part of the bottle is Russia, the neck is Western Europe, stretching down to the end of the bottle, Spain. On either side of this neck are bodies of water that we control, with land on the far side of the water which is good for air bases. The North Sea with England behind it, is on one side and the Mediterranean with the Near East and North Africa is on the other. We must apply

great air and sea power on both these sides and we must rely on land forces in the center. "I want to build a great combination of sea and air strength in the North Sea," Eisenhower said. "I'd make Denmark and Holland a great 'hedgehog' and I'd put 500 or 600 fighters behind them and heavy naval support in the North Sea. I'd do the same sort of thing in the Mediterranean, I'd put a great fleet of air and sea power in the Mediterranean and I'd give arms to Turkey and the 'Japs'." "Then," Eisenhower went on, "if the Russians tried to move ahead in the center, I'd hit them awfully hard from both flanks. I think if we built up the kind of force I want, the center will hold and they'll have to pull back."

That concluded his remarks, General Eisenhower said, but he wanted to make the point again that we ought to mobilize just as speedily in the material field as if we were actually at war.

The President asked if there were any questions.

Secretary Sawyer asked about Spain.

General Eisenhower said Spain had 30 divisions and she hated Stalin. "I feel about the question of keeping Spain out the same as I feel about keeping a sinner out of church," Eisenhower said. "You can't convert the sinner unless you let him get inside the front door. I realize there are a lot of political problems on Spain but I am a

professional soldier and when I have the problem of hitting an enemy I pick up everything I can reach and hit the enemy with it." He hesitated to speak further on Spain but he wondered if that answered Mr. Sawyer's question.

Secretary Sawyer said it certainly did.

Mr. Harrison asked what the European countries think about Spain.

Eisenhower replied that he thought European opposition to letting Spain in was dropping.

Secretary Snyder wondered if the various European countries each wanted its own complete military force, that is, balanced air, naval and land units.

General Eisenhower replied that Holland seemed to be the only country that hadn't fallen into line. Holland still wants a navy, which doesn't make any sense at all. The other countries were coming along and weren't causing any trouble.

The Vice President asked General Eisenhower, in view of the threat which the Soviet Union presents, how big he thought his combined army ought to be at the end of, say, six months.

Eisenhower replied that there ought to be 50 to 60 divisions in Western Europe, not including Germany, and he didn't know how long this would take. We ought to have them as fast as possible. Of course,

we couldn't begin to have this in six months. He didn't really know what we should have in six months, except that we should be building as rapidly as possible until we get up to 50 or 60 divisions.

General Eisenhower said that he wanted to comment at this point about a speech he had read some place, by some prominent American—he couldn't remember who—who had said that, if we built 50 to 60 divisions, this would pose a serious threat to Russia and Russia would be forced to attack. The argument, insofar as he could understand it, Eisenhower said, seemed to be that we oughtn't to try to build up a defense force because it would be a threat to Russia. This was nonsense. A 50 division force on the Rhine posed no threat to Russia at all and Russia knew it. Fifty divisions couldn't possibly attack Russia. Fifty divisions on the Rhine is a lot different from 50 divisions on the Vistula. When an army moves forward, it has to leave all kinds of troops on its flanks, and in the rear of the interior. A 50 division army would be too feeble, by the time it got to the borders of Russia, to do anything at all. On the other hand, he thought that a 50 or 60 division force was quite capable of defending Western Europe under the general strategic concept he had outlined above. He thinks that the Russians would believe the same thing.

The Vice President asked again if 60 divisions were adequate if Russia should want to start trouble.

General Eisenhower thought they would, provided, of course, that there were appropriate air and naval supporting forces.

General Eisenhower explained why he wanted American divisions sent to Europe as soon as we could do so. He went there to encourage the Europeans and to boost their morale. Nothing would convince the Europeans more than the sight of 10 or 12 United States divisions that we mean business. Of course, we should not plan on keeping our divisions there forever. Once the Europeans build up an adequate force, and get some reserves trained, the Americans can come home.

As for the question he had heard asked a few times about the fate of the Americans if Russia attacked, he thought that could be answered easily too. We only have two divisions there now. If Russia attacked now, we'd probably lose nearly everybody. But, if we have 10 or 12 divisions there, and the Europeans have their forces up to strength, and if Russia attacks, there is no reason for us to lose any sizable number of men unless somebody makes a terrible blunder. Even if Western Europe could not hold out — and he thinks it can — we would have enough there to be able to make an orderly withdrawal to some place like the Brittany Peninsula or the Cotentin Peninsula. We could hold out long enough for a good evacuation but, Eisenhower said, he wanted to repeat that he didn't think we would have to pull out.

The Vice President asked if General Eisenhower had been in Europe long enough to form any impression of Russia's plans and intentions.

General Eisenhower said that he did not know what the Russians might do. He doubts very much that the Russians want to fight now. "I personally think these guys in the Kremlin like their jobs. They can't see their way through to winning a war now and I don't think they'll start one. They know they'll lose their jobs, or their necks, if they start something they can't win." Eisenhower said he did not believe all the Russian propaganda about how the war would start if we armed Germany, or armed Western Europe. Of course, "matches can always be thrown in an open powder keg," and there was always a possibility that something could happen, but he doubted it. "If the Russians really think that 60 or 70 divisions in Western Europe are a threat to them, they are crazy. They have no business going to war over that and I don't think they'll do it."

Secretary Tobin asked about the attitude of the German socialists.

General Eisenhower replied that Schumacher had been very ill and he had not been able to see him but Schumacher sent word that he was all for European unity and would support General Eisenhower.

The conversation then turned to the arrangements for General

Eisenhower's appearance the following morning at an informal joint session of the Congress in the auditorium of the Library of Congress. The Vice President and the Speaker outlined the arrangements and it was agreed that General Eisenhower would speak for an hour or so. He questions should be asked from the floor, and anybody who wished to have the General answer a question could get his answer by submitting it to one of the four committees before which Eisenhower would appear.

General Eisenhower then returned to some broad observations. "I believe," he said, "that our civilization is in one hell of a hole. I believe we have to work and work like hell. I believe that we have to go all out and produce just as though we were in a war and that we have to get this spiral of strength going up in Europe. Right now, it is going down. We have got to stop it, turn it around, and make it go up. I have been reading about 'Gibraltar' and people who say that we ought to build up our own strength here at home and let Europe go. That's nonsense. Any isolated fort would fall in a week. How long do you think Gibraltar could hold out if Spain attacked her?" General Eisenhower then turned to the President and apologized, saying that he knew, of course, that neither the President nor any of the others present held those views but that he felt so deeply about this question of standing together that he couldn't resist expressing himself.

"I'm a soldier and I have to do whatever job is given to me. I'm doing this job because it was given to me but I'm also doing it because I believe in it. I believe very deeply in it."

Mr. Charles Wilson said that he would like to talk with General Eisenhower just as soon as he could and find out what timetable Eisenhower had in mind for the shipment of equipment to Europe. He had been hard at work on production for the United States, and he wanted to know how these European requirements were going to fit into our own schedules. He were already taking on a lot, and he wanted to know how much more we would have to steam up.

General Eisenhower replied that he wanted to stay in the United States long enough to work out questions like that, so that when he went back he could give definite facts to the European governments.

"As far as equipment goes," General Eisenhower went on, "as far as tanks and planes go, we have got to turn to a full war basis of production. We must get this curve, this damned curve, up quick. We have got to get the stuff into the hands of the Europeans. The difference here is whether our civilization goes up or goes down, and so I am ready for a tremendous sacrifice."

Mr. Symington asked if that meant that General Eisenhower did not think that we could have both guns and butter.

Eisenhower replied that answering that question would lead him into too deep water, that he would prefer not to try to answer that question now. What he was sure of was that we would have to produce exactly as if we were going to war. "We have got to 'convert'", he said, "we can't just pile these new requirements on top of what we are doing -- at least I don't think we can."

General Eisenhower, Mr. Wilson and Mr. Symington agreed to talk further on this subject.

Since there were no other questions, the President thanked General Eisenhower for his report and the meeting adjourned at 3:30 P.M.

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DDE

24 February 1952

Dear Mr. President:

By way of submitting the first of the informal reports I engaged to send you, the following is a rather sketchy account in which you may find some interest. However, assuming your permission, because of reasons outlined in this letter, I propose to send future communications of this kind to Averell Harrison, who will transmit to you such of them as he may consider worthy of your personal attention.

I returned to Europe by ship, bringing with me my wife because of widespread and insistent advice that to fail to do so would create unfortunate psychological reaction in Europe. We reached Paris on February 21, and I have since been engaged more in settling irritating problems involved in the business of getting down to work rather than in the more far-reaching - but less immediate - ones of organizing, training, and indoctrinating the forces of NATO. I shall not trouble you with these details, which involve such matters as housing, financing, individual assignments, and so on.

Because of the somewhat involved position I now occupy, it would appear that frequently my best point of American contact will be through Averell, unless the subject should either be of such importance as to justify direct message to you or should be so specifically American and military in description as to indicate the U.S. Defense Department as the proper destination of the communication. Most subjects are of such complicated character as to affect jointly State, Defense, E.C.A., Charley Wilson, and others. So Averell would normally be your only assistant (at least of my acquaintance) who could take cognizance of all aspects of the problem.

As you know, I have a single official point of contact with 12 governments - namely a composite body called The Standing Group. But that body is 1/3 French and 1/3 British, whereas a goodly portion of our most serious problems will be purely American. This is because of our country's position of power and leadership, to say nothing of its inescapable function as the principal arsenal of NATO.

When I was in Washington, I testified before Congress, after presenting the case to you and to the Cabinet, that there is no

present possibility of estimating accurately what will be the eventual requirement in Europe for American units. This statement I believe is completely accurate and I've made this conviction plain in capitals on both sides of the Atlantic. I'm delighted that the Administration has decided on six divisions as our target in American ground units in Europe for this year, but I think it highly important that no one at home or abroad assume that this figure necessarily represents a permanent solution. Future strength could vary within fairly wide limits; moreover, if we can by combined effort help produce quickly the strengths needed, it should be possible, within some 4-5 years, to reduce the American ground forces stationed here at the same rate that European systems develop the trained reserves to replace American units.

I mention this specific point because it is one that frequently comes up for discussion with foreign officials and it is important that whatever statements I make conform to the basic understanding of the President.

I suppose your attention was invited to Winston Churchill's critical remarks in the House of Commons. This is typical criticism in ventures of this kind, and illustrates again how necessary it is, in NATO, to plan for details of command so as to gain public support in a number of nations - or at least to avoid inciting resentment. I've a number of these problems in my lap right now; the arguments will be intensified because of the re-awakening of interest in the matter and because of the fixed personal ambitions, or possibly it is fair to say, convictions, of some of the individuals involved.

Our biggest problem is production. I have no doubt that eventually we shall be all right as to quantity and quality; but the element of time may well be critical. How to solve this one without going hysterical I don't know - but I have tremendous faith in Charley Wilson and Lucius Clay. I suspect that priorities in production are going to be necessary so as to solve the problem of timing.

With best wishes.

Respectfully,



The President
The White House
Washington 25, D. C.

U. S. Naval Station,
Key West, Florida,
March 9, 1951.

MEMORANDUM FOR:

Col. Beichline

Here is the letter to General Eisenhower about which I just spoke to you over the phone. It will be greatly appreciated if you will see that it is forwarded to General Eisenhower. Regards.

WILLIAM D. HASSETT,
Secretary to the President.

U. S. Naval Station,
Key West, Florida,
March 9, 1951.

Dear General Eisenhower:

I have read and reread your thoughtful letter of February 24th., which I brought with me to Key West. Needless to say, I found this first report very interesting and appreciate more than I can tell you the sense of responsibility which is yours as you enter into the work of the Bureau's mission which I gave you.

I can readily understand the desirability of making Averell Harriman your special Washington contact as you go forward with the work. Of course, at one time or another, since your mission is not wholly military, it will relate in turn besides in the Defense Establishment, the Department of State, the E.C.A., and Charley Wilson. Nor is that all. Some of your problems began with the Creation; others extend themselves into imperderables—those incalculable forces that project themselves into world affairs today, like pride of race and of blood, and always national jealousies.

I want you to know that I am fully mindful of the tremendous problems that are yours. It is because of my full appreciation of their gravity that I selected you to do the job.

It will be quite appropriate for you to make reports to Averell as you indicate. Averell reached Key West last evening, and we shall go over your first report together. Happily Averell, like yourself, has my complete confide ce, and it will be reassuring to me to know that you are working in such close cooperation. I know, also, you will exercise sound judgment in routing all your reports.

I read Winston Churchill's critical remarks in the House of Commons, to which you refer. In politics, the world over, even as in our own Congress, the opposition will not omit turning even the greatest of issues to partisan advantage.

I am glad Mrs. Eisenhower is with you. I send her with my best wishes a special commission to insist that you take proper rest and to guard your health always.

Cordially and sincerely,

General of the Army Dwight D. Eisenhower,
Supreme Commander,
Allied Powers in Europe.

THE WHITE HOUSE

WASHINGTON

March 29, 1951

MEMORANDUM for Miss Ross A. Conway:

Thank you very much for the copy of the President's letter to General Eisenhower, and the General's letter to me of the 11th, which you enclosed in your memorandum of March 28th.

A handwritten signature in dark ink, appearing to read "W. A. Harrison", with a long horizontal flourish extending to the right.

W. A. Harrison

March 28, 1951

Memorandum for: W. Averell Harriman
Special Assistant to the President

From: Rose A. Conway

By direction of the President, I am returning your letter from General Eisenhower together with copy of the President's reply.

March 26, 1951

Dear Ike:

I just read your letter of the fourteenth to Averell and I know you are making great progress in spite of the obstacles which you have to overcome.

The Malta affair was entirely unnecessary. It seems that Admiral Carney gave out a press interview that he was going to Malta to meet the British Commander and Chief of the Eastern Mediterranean. It seems to me that that meeting could have been held in London by having the Britisher come there or Admiral Carney could have gone to the Mediterranean and seen the Britisher at his headquarters without creating the disturbance. Those things happen, as you know - they happened to you while you were Commander-in-Chief before. I do everything I possibly can to prevent things of that sort from happening but when a fellow gets three stars on his shoulder he has to let people know that he wears them.

Keep at it and I know you will be successful in getting the job done.

My best to Mrs. Eisenhower.

Sincerely yours,

J. ARTHUR B. LAMOND

General of the Army Dwight D. Eisenhower
Supreme Allied Commander, Europe
APO 55, c/o Postmaster
New York, New York

*Original letter handed to Col. Hanna
who will turn it over to Col. Blumhagen to
send to General in Paris WDH 3/28/57*

U. S. Naval Station,
Key West, Florida,
March 15, 1961

Dear Averell:

I am enclosing the
latest of Jim's letters which
I forgot to return to you be-
fore you left.

It was a pleasure to
have you with us, and I hope
you enjoyed it as much as we
did.

Sincerely,

1st Harry S. Truman

Honorable Averell Harriman,
Executive Office,
State-War-Navy Building,
Washington, D. C.

air mailed from
Hut

~~SECRET~~

DDC

14 March 1951

DISPATCH

14 1 1 1951

DDC De 1

By TLT 14-1 1 1 1951

Dear Averell:

Would you please tell the President that I most deeply appreciate the letter he wrote to me from Key West. I am especially glad that he so clearly understands some of the difficulties of the position I now occupy. While I should of course, much prefer to regard my role as strictly military, I am more and more impressed with the fact that you earlier called the turn when you said, "For a long time, your job will be less more staff than it is military, and will involve every conceivable kind of international interest."

One of the most noticeable characteristics of this headquarters is that it is not at a "Hawking Island," and I am firmly attached to anything by traditional chains of responsibility, authority, and command. By becoming a member of twelve governments, I am personally of course, dissociated from the normal American channels that apply to duties of soldiers in the field. While it is true that I am still an American public servant, closely linked to a rather nebulous organization which we call NATO, in a larger sense I have become a modern Jahmash. At the same time, the established NATO channels of direction and control, extending through the Standing Group, then the Military Committee, then the Council of Deputies and then the Council of Ministers, grow more and more nebulous when one realizes that it is well nigh useless to put up any real problems before a joint international body until after that position has been thoroughly discussed and cleared with each of the national staffs that may be affected. This we have to do daily.

All this is confusing, but, fortunately for us, we are avoiding the development of a "squeal in the cage" feeling because of the fact that every responsible American official in Europe, to say nothing of the several European staffs with which we deal, all seem anxious either to consult with us concerning their own particular problems or even to request our help in channeling and pushing these questions to decisions.

In any event, the whole system, since it makes my direct connection with American staffs so tenuous, emphasizes one previous conclusion that I, purely as an American official, should keep you as well informed as I possibly can.

Naturally, as I told the President, all strictly military questions are channeled through the Standing Group, and, if any such type of question affects the United States alone, it will, of course, go to the Defense Department.

I am also securing indications of a feeling in Europe that local manufacturing facilities and available labor pools are not being used to the maximum in helping to meet the needs of NATO. I hope soon to arrange for a meeting with Hooted, Keta, and one or two others in order to get a clear comprehension of what is behind this type of thing. I suspect that it is directed toward a hope of having the United States step in and loan some money or material allocations to the country concerned, to retake for such production. It would appear that, if these nations are really serious about defending Europe, inter-governmental arrangements could be made for manufacture and exchange, if only on a basic assembling basis. I am going to try to run this thing down because possibly both Hooted and Keta may point out some direction in which I can be of some help.

SECRET

C
O
P
Y

A different type of thing occurred recently. In the last few days, there have been copies of radio messages shown to me that touch upon the unhappiness of the French because they were not included in the so-called Malta conferences between Naval representatives of the United States and Great Britain. In this particular case, I have no doubt that the purpose of the meeting could have been defeated by inclusion of a third party; but, in handling this kind of thing, we have to show a very considerable amount of skill if we are, as a group of twelve nations, to build up among ourselves that feeling of confidence and union, without which such an effort as this cannot succeed.

To create, unnecessarily, a feeling on the part of any government that it has been callously excluded from participation in some discussion in which it believes it has a reasonable interest, is well nigh inexcusable. That kind of thing, far from supplementing and supporting the efforts that our headquarters like this makes to develop mutual confidence, will go a long way toward defeating it.

It is, of course, clear that occasionally there are subjects of bilateral interest that cannot be discussed with representatives of any third nation. Moreover, it seems logical that this type of thing will occur more often between the United States and Britain than between almost any other two countries in NATO. The point is, when such crises for this kind of conference, it should not normally be advertised. Such meetings should be conducted informally, as a matter of routine business, and should not appear to the public as derivative, conclusive affairs, particularly when accompanied by a suspicion that the agenda of such a conference will include subjects that are at least of some interest to third parties.

I request that you do not take any specific action in this particular case, or even admit that you know of its occurrence; but possibly you could, in future conversations with British and appropriate American officials, advance some of your own observations along this line. Certainly, this type of thing could eventually cause a great deal of embarrassment and could damage an effort on which the United States is spending a tremendous amount of money and effort. By being on the alert, a person is sometimes able to help prevent the occurrence of errors.

Such incidents illustrate again the wide range of subjects in which this defense headquarters is asked to take an interest.

My best wishes and respects to the President. Warm regard to your good self.

Cordially,

/s/ Mr E.

Mr. Averell Harriman
The White House
Washington 25, D. C.

SECRET

A different type of thing occurred recently. In the last few days, there have been copies of cable messages shown to me that touch upon the unhappiness of the French because they were not included in the so-called Malta conference between Naval Representatives of the United States and Great Britain. In this particular case, I have no doubt that the purposes of the meeting could have been defeated by inclusion of a third party; but, in handling this kind of thing, we have to show a very considerable amount of skill if we are, as a group of twelve nations, to build up among ourselves that feeling of confidence and union, without which such an effort as this cannot succeed.

To create, unnecessarily, a feeling on the part of any government that it has been selfishly excluded from participation in some discussion in which it believes it has a reasonable interest, is well nigh insurmountable. That kind of thing, far from supplementing and supporting the efforts that a headquarters like this makes to develop mutual confidence, will go a long way toward defeating it.

It is, of course, clear that occasionally there are subjects of bilateral interest that cannot be discussed with representatives of any third nation. Moreover, it seems logical that this type of thing will occur more often between the United States and Britain than between almost any other two countries in NATO. The point is, when need arises for this kind of conference, it should not usually be advertised. Such meetings should be conducted informally, as a matter of routine business, and should not appear to the public as domestic, committee affairs, particularly when accompanied by a suspicion that the agenda of such a conference will include subjects that are at least of some interest to third parties.

I request that you do not take any specific action in this particular case, or even admit that you know of its occurrence; but possibly you could, in future discussions with British and appropriate American officials, advance some of your own observations along this line. Certainly, this type of thing could eventually cause a great deal of embarrassment and could damage an effort on which the United States is expending a tremendous amount of money and effort. By being on the alert, a person is sometimes able to help prevent the occurrence of errors.

Such incidents illustrate again the wide range of subject in which this unique headquarters is forced to take an interest.

My best wishes and respects to the President. Warm regard to your good self.

Cordially,

/s/ D. E.

Mr. Asaell Harriman
The White House
Washington 25, D. C.

W. J. H.

HOLD FOR RELEASE

HOLD FOR RELEASE

HOLD FOR RELEASE

APRIL 3, 1951

CONFIDENTIAL: The following Statement by the President on the occasion of the Second Anniversary of the signing of the North Atlantic Treaty MUST BE KEPT IN STRICT CONFIDENCE, and no portion, whole or in part, may be published or broadcast until 7:00 p.m., E.S.T., April 3, 1951.

JOSEPH SHORT

Secretary to the President

STATEMENT BY THE PRESIDENT

On the second birthday of the North Atlantic Treaty it is appropriate that we take stock of our progress.

The most encouraging fact which stands out today is that Europe is stronger and in a better position to defend itself than it was a year ago.

This stems from the determination of the free peoples of Europe to help themselves. Their determination as well as their strength has been increased by the assistance which we have been able to give them. Even more important, our joint effort has acquired greater effectiveness through the establishment of General Eisenhower's unified command. For the first time in history there exists in peace an integrated international force whose object is to maintain peace through strength. Six years ago General Eisenhower led such a force to victory, but we devoutly pray that our present course of action will succeed and maintain peace without war.

The armed forces of the North Atlantic Treaty countries will grow more rapidly in the future as stepped-up training and production programs begin to bear fruit. An enormous military production program is under way in the United States, and our Allies, despite limited facilities and resources, have already more than doubled their rate of military production.

Just as important as the forces which we are building together is the spirit of cooperation and joint effort which has been greatly strengthened. This is a solid achievement which will bring rewards of happiness and prosperity to our peoples long after the passing of the present emergency.

The events of the past two years have proved beyond question the wisdom of the course we adopted in signing the North Atlantic Treaty. Developments since the war have made it more clear than ever before that no nation can find safety behind its own frontiers — that the only security lies in collective security.

While we have reason to take pride in our accomplishments, we cannot forget that the road ahead is still long and hard. The people of the United States and the people of Europe must meet heavy burdens, with both determination and patience. I am confident that we will march forward together, with speed and vigor. Above all, I feel certain that we will not relax the great effort which is now under way.



APRIL 5, 1951

IMMEDIATE RELEASE

STATEMENT BY THE PRESIDENT

The adoption by the Senate of Senate Resolution 99 is further evidence that the country stands firm in its support of the North Atlantic Treaty. It reaffirms the basic principle of our foreign policy — that the security of the United States is intimately bound up with the security of other free nations.

The clear endorsement of the appointment of General Eisenhower and the plans to assign troops to his command shows that there has never been any real question but that this country would do its part in helping to create an integrated European defense force.

Our main task now is to get on with the job of building our own strength and help to build the strength of the free world — a job which we all agree should continue to be carried out through collaboration by the executive and the legislative branches of the Government.

B-FILE

April 12, 1951



Dear Sir:

I certainly appreciated your good letter of the seventh of April and I want you to understand that the President of the United States in his capacity as President and Commander in Chief is wholeheartedly behind what you are trying to do.

I am most happy that you are keeping in touch with Averall Harriman and the Secretary of Defense. I have absolute confidence in General Marshall, Bob Lovett and Averall. You are also absolutely depend on Dean Acheson, who is one of the most loyal public servants I have ever had any association with.

I was sorry to have to reach a parting of the way with the big man in Asia but he asked for it and I had to give it to him.

You are doing a wonderful job and anything I can do to make it easier I'll certainly be glad to do.

Sincerely yours,

HARRY S. TRUMAN

General Dwight D. Eisenhower
Supreme Headquarters
Allied Powers Europe

The President
The White House
Washington 25, D. C.



DDE



Supreme Headquarters
Allied Powers Europe
7 April 1951

Dear Mr. President:

Thank you very much for your understanding letter, commenting on the Meleis affair. In expressing to Averell my own feelings about that peculiar incident, I did not mean to exaggerate its importance - I merely was citing it as one type of difficulty that is always lurking because it is normally unnecessary.

Only recently, Belgium enacted a two-year military service law. On the continent itself, this makes Belgium the leader to take this forward-looking step. It is very pleasing to us in this headquarters where we follow with greatest concern every new piece of evidence that Europe will set vigorously in its own defense. While, in certain cases, I think it is politically impossible for some of the individual nations immediately to follow Belgium's example, I do hope that, in order to encourage emulation, there can be some expression in Washington of general satisfaction concerning this event.

As you can well imagine, we keep busy. This coming week I shall spend inspecting Allied troops in Germany.

With best wishes to you and yours,

Respectfully,

The President
The White House
Washington 25, D. C.

April 24, 1951

Memoandum for: Averell Harriman

From: The President

I am returning the letter.

He seems to be on top of the situation and he also seems
to understand the international situation better than most
State General [unclear].

N.S.I.

EO 12958, Dec 1992
000 DocId:30000000 7-8-41
By RLT ALG 1-10-13

ODE

C
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P
YSupreme Headquarters
Allied Powers Europe
28 April 1951

Dear Averell:

Thank you very much for your long letter. Your communications contain exactly the things that I like to hear about.

Recently, I have been visiting some of the troop training areas. I find the morale of the troops to be at a much higher level than it is among civilians - especially those politicians who are concerned chiefly with the "next election." Incidentally, the training standards are high; it is in numbers and material that we are weak.

Field Marshal Montgomery has been a fine team-mate. He is one of the best trainers of troops that I know. He is thorough, painstaking, and, surprisingly enough, he is patient. Moreover, he makes no attempt to relax the discipline at the expense of his subordinates and assistants. I could say similar things about practically all my principal associates. (I think I told you that I plan, soon, to recommend Eisenhower to Collins for promotion. If any disability should overtake me, we should have at least one American of suitable rank and fairly well-known in Europe who could be regarded as a logical successor.) Eisenhower, of course, is tops, as is Lesley M. McNair, Saunders, of the British Air Force, and Admiral Cappelletti, of the Italian Navy, are both exceedingly capable men; and I have others, some of whom you possibly know, that are equally good.

There is a growing feeling among us that we should soon establish a combined college, possibly under some such name as the NATO Defense College. It would be small, but the student body, probably of about twenty or fifty, should contain individuals from all participating nations, except, possibly, Portugal, Iceland, and Luxembourg. I think that, in both the instructional and student staffs, we would have experience talents from the diplomatic world, as well as from the military and economic fields. The general purpose would be to build up common working and basic convictions applicable in the defense of the North Atlantic

DECLASSIFIED

E.O. 12958, 5- 1-1971

DOD Declass. 1-12-83

9-8-81

By 811 HLC

1-18-83

~~CONFIDENTIAL~~

community. There is an question as to the potential efficiency of such an institution. Because Paris is a great center of communications for travelers from many countries, I think that such an institution would have to be located close to this city. This would ensure at the presence of experts at lectures, and would be a central place for the concentration of the student body.

There is nothing to do about the matter until we can prepare a plan, because the Standing Group and Council of Deputies will have to approve and support the idea, or it could not go forward.

We need a somewhat similar institution in the tactical field, but this we can develop - I think - under our own steam, with little or no outside help. It will probably be located in one of the occupational areas so as to use a training unit as a demonstrating organization, and because a great deal of the instruction would be practical rather than merely theoretical.

I have told you of my interest in the development of an effective information service for NATO. This is a question that I am sure Spillard has under consideration, and I do hope that he gets to going on it in a big way.

In France, almost every proposal or worthwhile discussion now finds itself delayed on the need for postponement until after the election. Such matters as air bases, extension of USFR of military service, use of French conscripts outside Continental Europe, and a dozen others all must await eventual decision until the election is out of the way. This is bad enough if the election is held - as some hope - on June 10th. But many observers believe that the elections will not be held before October, because of the need for prior electoral reform. If local programs in to be largely stagnated until next October, it will be annoying, to say the least.

Fug I may come over from Belgium to spend a night with me. Our talk was general in nature and, of course, a lot of it involved reminiscences of World War II. However, our real purpose was to talk over relationships of the moment, and we seemed to think that, in Belgium, there has been a considerable amelioration of the bitterness that swept that country with the first blast of the Fockeuler appointment. There is a general impression that the whole matter was handled without sufficient regard for public opinion - but I do not know that, in that parti-

cular instance, the British Government should be too much blamed, since I understand that the matter came to public attention accidentally, though a leak in Copenhagen. Everybody was apparently caught by surprise.

This brings up again the thought that we must constantly work at the job of producing and sustaining NATO solidarity; it will not develop among peoples unless their leaders take constant and positive action. An obstacle to such a growth is found in every corner that is brought about by the Communists throughout the world, because of the human tendency always to "take sides" in a quarrel, no matter how little we may know about causes and consequences.

The first obvious truth is that there is an insuperable selfishness between attainment of NATO objectives and the numerous egotism and selfishness of the Communists in many lands throughout the world. The London incident is particularly disturbing. If all Western Europe countries have to leave the aid now received from London sources, the situation will be awkward; yet many people believe the entire trouble springs from British exploitation of nations. The building up of Stalin's power on the borders of Yugoslavia causes uneasiness in this region; but anyway, "This is just another Communist, is he not with him." I am glad to know that the American Government has been studying the situation, together with its own intentions and attitudes with respect to future developments. Another question mark is Spain - some think he is important to us; others decide such a idea. The Moslem world grows restless - I firmly believe that, in this case, the Russians are getting far closer to the masses than we are; I sometimes have the uneasy feeling that in these countries our side deals unfairly with the Russians that have been exploiting their own people since time immemorial. The Soviet method is, through bribery, the use of agents, and the skillful use of propaganda, to appeal directly to the masses. Not serious as is the attitude of a united Arab world, it is surprising how many people want to treat the Moslem nations with disdain, if not complete callousness. The arguments over the war, both in Indo China and in Korea, are not only important domestically, they have great weight in determining progress in NATO.

A recent example of one phase of this whole problem was presented in the French effort to decide whether or not to withdraw her troops from Indo China. Ultimately, the thing boils down to the hope of gaining a quick and definite tactical victory in that region and therefore trusting the defense largely to active troops.

helping Frenchmen back home to participate, directly, in the defense of Europe. If this much of a victory is not possible in Indo China, then reinforcement is obviously silly, but it is silly that there is a close relationship between the activities in the two regions. Therefore, the question transcended the strictly nationalistic limits of French responsibility and appeared important to us all. [In this particular case, when my opinion was requested locally, I refused to give it on the grounds that, for the moment at least, it had to be treated as a strictly French decision. It isn't.] But when I commented on this matter to some of my colleagues, the interceding feel was that they did not seem to discern the inescapable effects of this struggle upon NATO prospects and purposes. Such a failure, it seems to me, results direct from the habit of thinking of "West versus East" instead of "West and East".

So I repeat that a constant awareness of leadership should be to see that differing national attitudes and policies toward Iran or Indo China, or Korea or India, or any other subject, do not become such bitter issues between NATO nations that we tend to tell apart. The Soviets will certainly not fail to give us enough opportunities to make this mistake!

Well, I see that I have gotten into a more speculative speculations at this point, so I stop for now.

Cordially,

/s/ Dae

Mr. Averell Harriman
The White House
Washington 25, D. C.

1. United States Priorities Policy for Munitions Assignment for SHAFS Forces.
 - (a) Equipment needed to bring trained European forces to combat readiness, as recommended by General Eisenhower, should have similar priority as equipment for our forces stationed in Europe, particularly on the central front.
 - (b) General Eisenhower should be given responsibility to recommend allocations in SHAFS command area of equipment made available from the United States as between European countries and for units within each country.
2. General Eisenhower should be given full information regarding atomic developments and such assistance as he needs to permit him to take these developments into account in his plans.

DECLASSIFIED

E.O. 12855, Sec. 3.202

DOD Directive 5100.17, ~~2-2-74~~~~TOP SECRET~~By NLT: ~~AK~~ NAGS, U.S. ~~1-17-83~~

Top Secret 42 (1955-57) 173

July 19, 1951

Dear General:

I read the communication from General Eisenhower with a lot of interest. His suggestions seem to me to be all right.

I am wondering whether September is too far in the future for the proposed meeting. I had told Eisenhower to suggest to him a date between the tenth and the fifteenth of August, but that doesn't seem to fit in with the General's plans — he suggests a date in September.

I wish you would think about the situation and when we get a chance to talk about it we will make a decision on it.

Sincerely yours,

HARRY S. TRUMAN

General George C. Marshall —
Secretary of Defense
The Pentagon
Washington 25, D. C.

[President kept communication]

*President Landed L.H.S.
Letter to Gen. Marshall
when the Gen. was in the Pres
office today.*

B F.

President's Secretary
Files

~~TOP SECRET~~
~~SECRET~~

ALP - RSP-GEN 191
COPY 2 of 2

The Secretary of Defense

18 July 1951

Dear Mr. President:

Forwarded herewith is a personal
message to you from General Eisenhower,
just received.

With great respect,

Faithfully yours,

G. C. MARSHALL

Enclosure

The President

The White House

DECLASSIFIED

E.O. 12958, Sec 3.402

DOO Directive 5100.30, ~~9-9-77~~

By NLT ~~ALC~~ MARG, DCL: ~~1-17-83~~

~~TOP SECRET~~
~~SECRET~~

113 7

President's Secretary's
FilesCLASSIFIED
INCOMING
MESSAGE~~TOP SECRET~~DEPARTMENT OF THE ARMY
STAFF COMMUNICATIONS OFFICE

ALF (PSE-1-20) 197

~~TOP SECRET~~

PERSONAL FOR

SPECIAL HANDLING REQUIRED, NOT RELEASABLE TO FOREIGN NATIONALS

TOP SECRET
PRIORITY

PARAPHRASE NOT REQUIRED

FROM: SACRUR PARIS FRANCE SGO GENERAL DWIGHT D EISENHOWER
TO : DEPT OF DEFENSE WASH DC
NR : ALO 206 171445Z JUL 51

MOFORN 113

EYES ONLY TO SECRETARY OF DEFENSE MARSHALL. (SECDEF. HAS SEEN)

In response to messages from the President of the United States I request that after reading this message below you have it delivered on a TOP SECRET basis to President Truman:

Dear Mister President:

I received your message from Averell Harriman and of course am ready to comply with any plea that you may decide to approve. My sincere thanks for your kind inquiry concerning my health sent through Ambassador Broeze. I am fully recovered from a slight illness.

In my opinion any attempt to conduct a meeting on a clandestine basis would inevitably become known and the results would be obviously undesirable and even unpleasant. Among the several objections to my coming directly to Washington to report officially as an American officer to the President of the United States, only the one of timing seems to me to have any real importance. I believe it to be distinctly undesirable for me to come to the United States before enactment by the Congress of the military aid bill. To do so would almost certainly involve me in hearings of indefinite length before Congressional committees. In this event I would probably be drawn into numerous argumentative subjects largely unrelated to my own responsibilities and concerning which I have little first hand knowledge. Complicating the matter is the fact that each House of Congress has sent over here large committees primarily because of my current inability to spare the time for prolonged appearances in

DECLASSIFIED

(17 Jul 51) E.O. 12065, Sec 3-402

ODD Directive 5100.10, N

By NLT/PSB WASH. D.C. 20315

~~TOP SECRET~~

FORM 331 1 JAN 51

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18 JUL 1951

PERSONAL FOR

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TOP SECRETDEPARTMENT OF THE ARMY
STAFF COMMUNICATIONS OFFICE**TOP
SECRET****PERSONAL FOR**

NR: ALO 206

PAGE 2

Washington. At least some of the members of these committees have stated that they made the trip at considerable inconvenience to themselves so as to obtain my personal testimony, in spite of my inability to appear in Washington at this time. If I should, at an early date, suddenly arrive in the capital city there would certainly be created some justifiable resentment among these particular people which might even cause some damage to the military aid bill.

If it is reasonable to assume that the Congress will complete the military aid bill within six or seven weeks, would it be satisfactory to you to plan on a meeting in Washington about the middle of September? My own feeling would be that immediately after the completion of the legislative action on that bill I could without creating complications be summoned as an American officer to report to you and to the Secretary of Defense on any type of development here that you might wish to give as a reason for the meeting.

I realize from Walter Harriman's message that this suggestion might not suit your calendar and I therefore add as an alternative the thought that you might consider going on some appropriately planned maneuver with the Atlantic Fleet during the course of which you could anchor at some port to which I could easily be summoned. Examples would be Newfoundland, Iceland and the Azores, depending entirely upon your time and inclinations. I think that an important consideration, if this alternative has any merit at all, would be to select the point sufficiently far from Washington so as to make plausible my immediate return to Europe without venturing into the capital city.

I repeat that if one of these ideas would appear to you to form the basis of a reasonable plan I will be quite ready to adjust my engagements and activities so as to come to Washington at any time you may designate. I believe however that I have not exaggerated the possibilities of embarrassment if I should come during the period of Congressional consideration of the military aid bill.

With my deep respects and best wishes, General
Dwight D. Eisenhower.

ACTION: SECY MARSHALL

(17 Jul 51)

JWW/S

PERSONAL FOR**TOP SECRET**

COPY NO.

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U. S. GOVERNMENT PRINTING OFFICE: 1949 O-500000

Dear Mr. President

Thank you for your thoughtful letter. I understand exactly what you wish to arrange and I shall plan a trip to Washington for late September or thereabouts. While I'm sorry you were put to the trouble of explaining your idea a second time I'm very glad you did so — because I was not clear on the matter at first. You see, I was sick in bed when Averell went through here, so I didn't get his full explanation.

This note brings best wishes to you and yours.

Respectfully

Dwight D. Eisenhower

The President.

The White House

NLT (Manual A. Sec) 231

OFFICE OF
THE SECRETARY OF STATE
WASHINGTON

August 3, 1951

~~TOP SECRET~~SUMMARY OF TELEGRAMSNORTH ATLANTIC
TREATY

Canadian Foreign Minister Pearson, now in London, has given Ambassador Gifford privately what he considers the high point of his recent conversations with the Foreign Ministers of the Scandinavian countries and the Netherlands. The latter all indicated their preoccupation with the Russian reaction to admission of Greece and Turkey to the North Atlantic Treaty Organization. The Norwegians had told Pearson the Soviets had warned the Norwegians that the establishment of foreign bases in Norway would be regarded by the Soviets as "provocative". The Norwegians and the Danish Foreign Ministers both stated that before reaching a decision on Greece-Turkey, they must know what command structure was contemplated and particularly what other non-NATO countries might be included, since this would involve all NATO countries in additional indirect commitments. The Swedish Foreign Minister indicated to Pearson that Sweden was desirous of strengthening its cooperation with the North Atlantic countries in all non-military fields, both to reduce its own sense of isolation and to help remove the "curse of the anti-Soviet nature" of the NATO. (Pearson remarked at this point that he believed Sweden's isolated status was making it do at least as well if not better than most European NATO countries in strengthening its own defense.)

The Norwegians, Danish and Dutch Foreign Ministers all told Pearson they felt some action looking toward closer North Atlantic non-military cooperation would be of material assistance to them in securing parliamentary and public support for lying to Greece and Turkey, even if this were to be done by a Interlocked Mediterranean pact, but particularly if the decision was for full membership.

Pearson said he had been frequently asked what the US would do when it reached the pinnacle of the strength it was now building. Had the US reached a decision that its objective was not to prevent a war but rather to win one? He said he had consistently replied that

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E.O. 12958, Sec. 3-402

State Dept. Guidelines, March 6, 1992

By DEB NLT, Div 6-5 85

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he himself had put the same question to a "key American" and was convinced at the latter's answer that no matter what procedure might be developed the American people would never conceivably permit their arms to be used for any aggressive purpose or for any purpose other than to ensure a just and lasting settlement.

~~TOP SECRET~~

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MLF (PSF. COV) 193

THE SECRETARY OF DEFENSE

WASHINGTON

27 August 1951

Dear Mr. President:

The attached personal letter from General Eisenhower to me was held for my return from leave. That portion reflecting Eisenhower's review of the European Army has been seen by Bradley and the Joint Chiefs in addition to key personnel in the State Department.

Please have your people send the letter back to me when you are through with it.

With great respect, I am

Faithfully yours,



The President

The White House

DECLASSIFIED
E.O. 12958, Sec. 1-4
000 (Excluded 5.0222, 1-2-74)
By NLT ~~MLF~~ NAME, Date ~~1-27-83~~

~~TOP SECRET~~

B File

Supreme Headquarters
Allied Powers Europe
3 August 1951

Dear General:

From time to time, I have been sending to Averell Harriman informal reports, which frequently consist of nothing more than current observations on the European situation. I believe that he has normally shown these to the President. While I realize that I may be bothering you unnecessarily by addressing this particular communication to you, it is nevertheless possible that you might like to be informed as to random phases of my reactions to existing factors in the European defense problem, whether or not you consider it advisable to present to the President such a rambling combination of fact, opinion, and assumption.

So many of our difficulties have their source in the existence of a badly divided Western Europe that on July 4th, I delivered myself of a fairly impassioned statement to this effect. While, of course, I did not expect any immediate and drastic results, still I thought that the effort might have a bit of effect in promoting a clearer understanding of this particular difficulty and this, in turn, could be most helpful as we attack some of our problems of organization and administration. Certainly the occasion gave me the opportunity to state publicly, to Europe's several governments, that they could by no means assume that they are now performing at the maximum in developing security. Daily, of course, we run smack up against a myriad of difficulties that would not exist at all if this region were only reasonably unified.

One that is bothersome right now is a conclusion of the American MDAF group in Norway that the existing personnel programs of that country are so inadequate that we shall probably have to curtail American munition deliveries during the coming year. Manifestly, when this becomes generally known, the possible results could be serious for the European program, particularly in those countries where population morale is not yet as sturdy as it ought to be. Such an eventuality would be all the more disappointing because of the spirit of determination and courage in Norway. But manpower resources in that country are meager; it is quite possible that there is validity in their present conclusion that they cannot expand their training program. Obviously, we must not give equipment to anyone except where we know it will be used at maximum effectiveness in common defense. But we must be sure that Norway is doing its utmost to train the men. I have tendered the good offices of my headquarters in the matter, and certainly we shall leave no stone unturned in an effort to produce an acceptable answer. It is easy to see that if Norway were merely a part of a Western European political unit, the problem would not exist. In Italy there are almost 3,000,000 unemployed!

Such examples are multiplied every day. Because of the great efficiency, economy, and general progress that could result from a more effective union of these separate countries, I recently decided to intervene in the plan for developing a "European Army." For a long time, I was firm in my refusal to get tied up in the project because it seemed, almost inherently, to include every kind of obstacle, difficulty, and fantastic notion that misguided humans could put together in one package.

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FOIA b7, Ex. 3-400

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I then felt that the attempt to develop a European Army might be more divisive than unifying in its effect on the Western European countries and this, of course, was an added reason for avoiding encouragement or personal participation. Moreover, it seemed to me that the plan was not above the suspicion that it may have been put forward in the certainty that it could not be achieved; thus a rebirth of any German military power would be avoided, but by such methods as to escape the onus of deliberate opposition.

Of course, the administrative difficulties are real and many; the risk still exists that the plan might create more antagonism than friendship, and we can never be certain that we shall not encounter double dealing. But, contingent upon unequivocal commitments from the new French Government, when formed, that it will support the program to the limit, and will address itself to problems of joint financing, etc., and quit blocking progress because of inconsequential military details, I am shifting my position. The reasons are:

- a. I have come to believe that at least most of the governments involved are sincere in their efforts to develop a so-called European Army.
- b. Some spectacular accomplishment is vitally necessary to us if we are to get this whole security program moving with the kind of rapidity that will generate confidence both here and in the North American Continent.
- c. The plan offers the only immediate hope that I can see of developing, on a basis acceptable to other European countries, the German strength that is vital to us.
- d. I am certain that there is going to be no real progress toward a greater unification of Europe except through the medium of specific programs of this kind. Consequently, believing that we have nothing much to lose except possibly patience, disposition, and effort, I shall, subject to the proviso stated, get behind this program with an auxiliary purpose of bringing about constantly increasing amalgamation of European resources and strength.

The French delay in organizing a new Government is bad. Progress in our air-base program is stagnated and nothing decisive can be done at this moment. The key position of France in any adequate security structure in this region is, of course, obvious. For this reason, I feel that her plans, and her ability to carry out plans, should be a matter of special concern to the United States. We should frequently sit down with her Government in combined diplomatic, economic, and military conferences to work out exactly what she is to do in order to perform to her own maximum in defending Western Europe and because of the effect that her example will have on other countries. Mr. Moch, who I understand is departing soon for the United States, may or may not be included in a new Government. (He has told me he would not serve in a government headed by M. Peché.) But I think that United States authorities might seize the opportunity presented by his Washington visit to have some very plain down-to-earth talks with him. Nothing that I am saying here should be taken to mean that any French official is backward in pledging to me his utmost cooperation. But it would manifestly be fatal to this whole development if we should accept lip service at the expense of solid achievement.

B EUG

Throughout West Europe, there is needed greater understanding, greater fervor, greater faith. Our leadership must exert itself to create these. We must impart a sense of urgency to the solution of problems, and we must show every nation that it is serving its own interests when it places NATO matters in top priority. I have given some effort toward establishing a "framework of leadership," to be devoted to securing fervent European adherence to the essentials of the NATO concept. I want to get Stikker, Plevin, Lange, Spaack, Van Zeeland, DeGasperi, etc., each to surround himself with a group of young men, all dedicated to the task of educating populations in the basic factors of our problem. So far, I've talked to three of these men, but cannot feel that I've had more than meager success.

Shruman's death was a blow to us. He was understanding and cooperative - and, in his dealings with me, always presented a viewpoint bigger than a single service. You will miss him!

Encouraging signs in almost every category of moral, economic, and military progress continue to accumulate, but they are far from being what they could - and, therefore, should - be. In this connection, General Sarnoff is just starting home after spending four weeks or more in Europe. His impressions and convictions seem to me to be down to earth, comprehensive, and as accurate as one man's conclusions on such vast subjects could possibly be. I suggest you ask him to lunch some day for a chat.

There is no use enumerating our various problems, internal and external. The staff is getting really efficient (I'm still operating a total of 225, which sounds everybody including the staff itself). Our relations with cooperating and political agencies are good. Ulcers are no more prevalent than in most places. That reminds me that I wish Bedell Smith would come over for a month!

Mrs. Rosenberg has been here. She and I talked a couple of hours, after which she tackled the staff. Her approach to difficult questions is refreshing - and sound!

Please convey my greetings to Mrs. Marshall. With personal regard,

Sincerely,

/s/ Eisenhower

Honorable George C. Marshall
Secretary of Defense
Room 3E880, Pentagon
Washington 25, D. C.

OFFICE OF
THE SECRETARY OF STATE
WASHINGTON

DECLASSIFIED

EO 12065, Sec. 3-172

State Dept. Guidelines, March 6, 1992

By DA-3 NLT, Date 9-6-88

September 4, 1951

~~SECRET~~

SUMMARY OF TELEGRAMS

GREECE-TURKEY

Our NAT Council Deputy has furnished us with a round-up of the present attitudes of the governments represented, and their probable positions at the forthcoming Ottawa Council meeting, on the question of full NATO membership for Greece and Turkey, based on discussions with each Council Deputy in the last few days. Since many of the Deputies spoke very frankly and on a personal basis, he has asked that their comments be handled with extreme care. The UK and France both support full membership, and have agreed to the Standing Group paper on command structure, although each government still has some reservations on this aspect. Italy has been a consistently strong advocate. Canada, although it would have preferred a separate pact, has stated both privately and in the Deputies' meetings, that it would agree to full membership. The Belgian Deputy has stated privately his government's full agreement, but has indicated this only guardedly in the meetings. A governmental decision has not yet been taken by Luxembourg, but it will probably be influenced by Belgium. The Netherlands is still opposed but will "probably yield". The first Dutch reaction to the Standing Group command paper was strongly unfavorable, and they may press for inclusion of Turkey under a direct NATO command as such as a condition for agreement. A governmental decision has been taken by Iceland not to oppose full membership. Norway is still opposed, but "will not veto". Denmark is officially still opposed, but the Danish Deputy has pointed out that Denmark has never indicated that it would block full membership and "will probably bow to the will of the majority". Portugal is also officially still opposed, but their Deputy has stated privately that they "will probably not make too much trouble".

Ambassador Spafford has impressed on each Deputy the necessity for issuance by the Council at Ottawa of an unconditional invitation to Greece and Turkey. Allowing for the possibility that the attitude of individual Deputies may be more cooperative than

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-2-

that of their governments, he believes this can be done if there is continued satisfactory development, including some publicity, of US support for the North Atlantic concept, and if a generally satisfactory agreement on command structure, which may involve slightly more direct NATO control than that provided in the Standing Group paper, is reached.

IRELAND

The Irish Foreign Minister has raised informally with the Department's representative at SHAPE the possibility of Ireland's purchasing certain modern arms and military equipment from the US. He said that the new Irish Government feels strongly that it must build up Ireland's defense capabilities increasing both the size and effectiveness of its standing forces and that receipt of limited amounts of US equipment on a purchase basis would not only increase the morale of the armed forces, thereby helping recruiting, but would also stimulate public support for an increased effort and the sacrifices which would be necessary to build greater defensive strength. Our representative replied that, policy issues aside, the military equipment situation in the US was very tight at the present time, pointing out our commitments in the Far East and to our NATO allies. He mentioned that Ireland had had a chance to join NAT but had refused, and expressed his personal view that the surest way to insure that such Irish requests received sympathetic consideration would be for Ireland to indicate its determination to contribute in some positive way to the collective defense of the West. The Foreign Minister stated that, in his personal opinion, there was no possibility at this time of Ireland's joining NAT or any other collective defense arrangements, but that, if we could help on equipment, he believed confidential military staff talks would be possible, which would enable NATO planners to have knowledge of Ireland's defense plans so that there could be proper military coordination should aggression against Ireland occur.

When our representative inquired whether the Irish Government intended to raise this question with the US Government officially through diplomatic channels, the Foreign Minister replied in the affirmative but indicated that there might be some delay since his government did not wish to begin its campaign for additional recruits and a further military effort until after the harvest.

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NLT (Naval Aide) 241

THE SECRETARY OF STATE
WASHINGTON

September 11, 1951

DECLASSIFIED
EO 12065, Sec. 3.402
State Dept. Guidelines March 6, 1982
By: DW/D NLT Date 9-5-85~~TOP SECRET~~SUMMARY OF TELEGRAMS**NORTH ATLANTIC
TREATY ORGANIZATION**

Embassy Copenhagen reports that an editorial in the independent newspaper Information says that Denmark should use the veto in the Ottawa Council meeting if necessary to postpone the final decision on NATO membership for Greece and Turkey until the Rome meeting in October. We are already aware of the opposition of the Danish Parliament and Government to Greek-Turkish membership in NATO, but believe that the Danish delegation to Ottawa has been instructed in opposition but not to veto the proposal. Nevertheless, the editorial may indicate that the Danish delegation will make a stronger stand than we had expected in favor of postponement of the decision until the Rome meeting.

IRELAND

Following a recent approach to the Department by Irish authorities concerning the possibility of US arms shipments to Ireland, we requested Embassy London to comment on the probable British attitude toward such shipments. Embassy London has replied that the British Government's reaction would probably be to emphasize the priority of NATO needs. If the Irish were willing to assume NATO responsibilities, the UK would probably be sympathetic to their request for arms, but, if the arms were to be used only in defense of Ireland, the UK would probably object on the ground that the defense effort must come first, particularly since arms are in short supply.

INDONESIA

Ambassador Cochran reports that on the night before the signing of the Japanese Treaty to San Francisco the Nationalist Party cabinet members in the Indonesian Government took a surprise vote against signing the treaty, after having given earlier support for it. This about-face may possibly endanger the chances for ratification of the treaty, although, as Cochran points out, the Parliament is in recess until the 23rd, and perhaps by that time tempers will have cooled sufficiently for Parliament to view the matter objectively and see the advantages to Indonesia which have come from attending and signing, and which will increase with ratification.

~~TOP SECRET~~

THE WHITE HOUSE
WASHINGTON

10/2/1951

October 1, 1951

66
North Atlantic Council
Temporary Committee

My dear Mr. Harriman:

This will confirm our discussion and
your willingness to serve as United States Rep-
resentative on the Temporary Committee of the
North Atlantic Council. In conjunction with
this appointment, I am according you the per-
sonal rank of Ambassador.

xwc,

Very sincerely yours,

HARRY S. TRUMAN

Honorable W. Averall Harriman, xff 141
Special Assistant to the President, x371
The White House.

B File
orig sent to Mr. Newton in Mr. Harriman's office
10-4-51

DEPARTMENT OF STATE
WASHINGTON

October 4, 1951

MEMORANDUM FOR THE PRESIDENT

Subject: Appointment of W. Averell Harriman
as United States Representative on
the Temporary Committee of the
North Atlantic Council.

At the Seventh Session of the North Atlantic Council which met at Ottawa there was established by resolution a Temporary Committee to prepare a coordinated analysis of all NATO defense plans in relation to the political and economic capabilities of the member countries.

In connection with the appointment of W. Averell Harriman as United States Representative on the Temporary Committee of the North Atlantic Council, which you orally approved September 26, 1951, it is recommended that he be given the personal rank of Ambassador. Accordingly, there is attached a letter addressed to Mr. Harriman confirming this appointment.



James E. Webb
Acting Secretary *x20*

Enclosures:

Draft letter.

x66 North Atlantic Treaty Organization

D File

October 5 1954

Memorandum for: W. Averell Harrington

From: The President



Thanks a lot for General Eisenhower's letter of the
seventeenth. I read it with a lot of interest.

ASJ

Supreme Headquarters
Allied Forces Europe
17 September 1954

Dear Aersell:

I assume that I have told you in the past something of my convictions as to the need for holding more frequent meetings of the NATO Council. I do not see how the United States can hope to exert the leadership that is necessary in NATO unless such meetings are held at least on a quarterly basis.

In the business of creating the over-all strength that is needed, the material side requires money. But the intellectual and spiritual side requires very little money; of principal importance are imagination, faith and energy. All are agreed that money is the key to this whole problem; success depends upon a unification that is built upon a common scale of values, a common appreciation of the risks to these values, and a common determination to meet the risks cooperatively. Unless we achieve such unity, all of our expenditures on the material side will be in vain. Consequently, we should make a continuing effort in the spiritual field that will match our great expenditures for munitions and for economic support.

The peoples of the several NATO countries will never believe that the whole project is one to which they should give first priority if governmental officials meet as infrequently as once a year. By word and by example, we must exert every possible effort in this direction.

Today I am on my way to Germany to witness the British maneuvers. This trip will be followed, at intervals, by similar ones to the French Zone and to the American Zone. (Already we are preparing a plan for next year's maneuvers that will contemplate a single, combined exercise of all forces available.)

It is possible that I may cancel one of these impending

trips, in view of the tentative arrangements I have made for the meeting with the Chief, I am making tentative plans that will allow me a full day in Washington, and another day to give me a chance to see, for a few minutes, members of my family. Thereafter, I plan to take off immediately for SHAPE. Thus, I could do the whole trip in an over-all absence of about five days. I was informed that, from that end, the exact date made little difference. But I shall, nevertheless submit, for approval, whatever little plan I finally propose.

I am distressed to hear that you were laid up with a cold. I hope that you are well now and that additionally you got the few days you were seeking for a bit of rest. Give my love to Marie and, of course, my respects to the Chief.

As always, my very best to you,

Sincerely,

a/ Ike

Honorable W. Averell Harriman
The White House
Washington, D. C.

~~TOP SECRET~~THE JOINT CHIEFS OF STAFF
WASHINGTON 25, D. C.

ALZ (PS: G-2) 199

18 October 1951

MEMORANDUM FOR THE PRESIDENT

1. In accordance with the North Atlantic Treaty Council agreement at Ottawa and with your messages of 20 September to President Bayar of Turkey and Prime Minister Venizelos of Greece, I proceeded to Athens, Greece, and to Ankara, Turkey, between 9 and 15 October, accompanied by Field Marshal Sir William Slim of the United Kingdom and General Charles Leclerc of France, to exchange views with the pertinent authorities of these nations concerning their admission into NATO.

PARIS

2. As a preliminary step, it was necessary that there be resolved the French demands for a substantial naval command in the Western Mediterranean, upon which point at Ottawa the French had secretly conditioned their approval of the acceptance of Greece and Turkey into NATO. This question was resolved at a conference at SHAPE between the three NATO representatives and General Eisenhower. The resulting agreement was accepted by the French Cabinet and was well within U.S. position, in that it provided for only two major naval commands in the Mediterranean (U.S. and U.K.) and placed the French Western Mediterranean naval command directly under Admiral Cerney, COMNAV South, under the over-all command of General Eisenhower.

GREECE

3. The conferences at Athens between the three representatives and Greek military authorities resulted in a very successful exchange of views. I was very much impressed by the friendliness, determination and attitude of cooperation of all Greeks I met, from the King and Queen on through the Chief of Staff and the Chiefs of the Services. They emphasized that, although they needed much material assistance, they would fight under any conditions in order to defend Greece and to meet her NATO obligations.

4. The Greeks believe that they should be a part of General Eisenhower's command, which view is generally concurred in by the

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DECLASSIFIED

E.O. 12065, Sec. 3-402

DDO Declass. 5/28/80, Para. 17 1979

P.L. 86-36 1979 10/11/80 p. 577

By NLT Date 10/11/80

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Standing Group nations. They presented very positive views that all possible steps should be taken at the earliest time to secure the co-operation of Yugoslavia with the West. A major problem which presented itself was that of the responsibility for the defense of the Aegean Sea and the Dardanelles; this will require resolution as soon as the outlines of commands contiguous to Greece can be definitely decided upon. Each Greek Chief of Staff emphasized the many equipment deficiencies in his arm, but pointed out the Greek potentialities in manpower and trained reserves, which potentialities have already impressed us.

TURKEY

5. The situation in Turkey was more complex, but I consider that our exchanges of views there with the Prime Minister and other high Turkish authorities were most illuminating and helpful as an initial step. The Turks were insistent that their nation be considered as inseparable part of the Europe which is facing Russia (not as a Middle East nation on a par with the Arab States) and that they should, therefore, be under the command of General Eisenhower; most important to them in their prestige and their internal political situation. They insist that they must first become a member of one of the already-established NATO commands. However, Turkey recognized the need for and promised to strongly support the establishment of a command in the Middle East which will include non-NATO nations; in this connection, Turkey is insistent that this problem is separate from and secondary to their prompt integration into an existing NATO command. One important facet of the problem which was deliberately avoided was that of the nationality of the Middle East commander under whom the Turkish forces would be operationally assigned. Our advice from all informed sources in Ankara was that the Turks would not accept being directly under a United Kingdom commander, which, as you know, is presently contemplated. As a result of the discussions, general agreement was reached that:

- a. Turkey should be integrated into NATO on a full equality basis as soon as possible, and
- b. That a Middle East command, in which Turkey would participate, was necessary.

Near the end of our discussions it became evident that the Turkish aversion to being considered as a Middle East nation remained as

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strong that the three representatives tentatively agreed to call the proposed new organization the EASTERN MEDITERRANEAN COMMAND.

6. As in the discussions in Athens, I was much impressed by the resolute spirit of the Turks, their attitude of cooperation, their deep respect for the United States, and their eagerness to assume their new obligations in NATO, as well as in a command structure in the Middle East.

EGYPT

7. The military representatives were prepared to visit Cairo also, presumably with a Turkish military representative, for the purpose of exchanging pertinent military views with the Egyptians concerning the importance of their joining in a Middle East command structure. From both the political and military points of view, the maintenance of efficient Allied bases in the general Suez area in peace or in war is a vital necessity; a cooperative attitude on the part of the Egyptians would assist materially in solving this problem. However, as you know, the preliminary political discussions in Cairo had not, in the view of Mr. Acheson, progressed sufficiently to warrant military representations, and therefore the trip to Cairo was not made.

GENERAL

8. In my opinion these visits were most successful and worthwhile, even though they were only for the purpose of exchanges of views and, therefore, did not result in any decision being reached. The Greek and Turk authorities were highly gratified at the opportunity to emphasize to the Chairman of the U.S. Joint Chiefs of Staff their respect for the United States and their gratitude for the assistance the United States has already given them. Both nations are pleased at the invitation to join NATO, and I am convinced that each of them will be a valuable asset to NATO.

9. Of course, there are many equipment deficiencies in both the Greek and Turkish armed forces. On this point I assured authorities in each nation that the United States would maintain its interest in their welfare, but I emphasized that the people of the United States were of the sure conviction that U.S. aid could not continue indefinitely to its present proportion, and that each recipient nation must take positive steps toward its own self-sufficiency.

~~TOP SECRET~~

~~TOP SECRET~~

10. In my opinion, we must now move forward with all possible expedition to accomplish NATO ratification of the admission of Greece and Turkey into NATO, and then to be prepared to take at once the necessary steps toward placing each nation in its proper place in the NATO command structure. Particularly with respect to Turkey, this problem will be complicated, since it will eventually involve political arrangements with the Arab and other non-NATO nations.

11. I am initiating the necessary recommendations for action to accomplish the above at the earliest time.

Dwight D. Bradley

~~TOP SECRET~~

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Harry S. Truman
White House Central Files
Confidential Files

E. F.

7378

North Atlantic Treaty Organization
Shaper

MEMORANDUM FOR THE FILES:



Received in the pouch of 3/20/52 from Kay West,
Sealed blue envelope from the President addressed
to General of the Army Dwight D. Eisenhower,
SHAPE, "Personal & Confidential";

President's seal was impressed on the back of the
envelope here, and it was put in another envelope
and sent to Col. Beishline for transmittal.

3/21/52,
elb

Gen Norstad
~~Photo Bulletin Forum~~
4 March 52

REPORT ON SHAPE

X

AS AMENDED
66
MAR 1952 16
North Atlantic Treaty
Organization

I bring you greetings from the Supreme Allied Commander, Europe,

General Eisenhower, and from the soldiers, sailors and airmen of the many
nations that make up his command. I bring special greetings from the men
and women of the Armed Forces of the United States who are serving their
country and the cause of freedom from ^{Iceland} ~~Scandinavia~~ to the Mediterranean
and from the coast of France to the Iron Curtain.

I propose to review the task that the people of the United States,
acting in concert with the other members of the North Atlantic Treaty
Organization, have set before these forces; then to explain how these forces are
organized to perform this task -- perhaps the most important creative task that
this nation or any other nation has ever attempted beyond its own frontiers.

What is the NATO community? The answer is to be found in the language
of the North Atlantic Treaty under which the United States and eleven other
nations came together, less than three years ago, in defense of their common
ideals. The preamble of that treaty states -- and I quote:

Gen. Lauris Norstad

OK/5/5/52

"The parties to this Treaty reaffirm their faith in the purpose and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all governments.

"They are determined to safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and the rule of law.

"They seek to promote stability and well being in the North Atlantic area.

"They are resolved to unite their efforts and collective defense for the preservation of peace and security."

These are the principles that unite the NATO community, which, with the recent inclusion of Greece and Turkey, now numbers 14 nations. And the mission of the armed forces now being raised for its defense is set forth in the agreed articles of the Treaty, one of which states -- and I quote:

"In order more effectively to achieve the objectives of this Treaty, the parties, separately and jointly, by means of continuous self-help and continuous aid will maintain and uphold their collective capacity to resist armed attack."


"The parties agree that an armed attack against one or more of them shall be considered an attack against them all."

Europe the Commander-in-Chief of Allied Forces is Admiral Curney of the United States Navy. He has an Italian Army Commander and an American Air Force Commander, Major General David W. Schlatter.

In Central Europe, which may be defined as the area lying between the southern boundary of Denmark and the northern boundary of Italy, we have as Commander-in-Chief of the Allied Land Forces General of the Army Juin, a distinguished soldier of France. Vice Admiral Jaujard of the French Navy is the Flag Officer of Central Europe, and I have the honor of commanding the Allied Air Forces there. General Juin and I command forces allocated to NATO by six countries, the United States, United Kingdom, Canada, France, Belgium and Holland. I mention the multi-national composition of these forces because this diverse composition is an important characteristic of SHAPE, indeed the thing that makes it unique. It is the principal source of its strength. But this same diversity is also responsible for serious problems.

Any plan for the defense of Europe necessarily requires the forces of

one country to work in intimate collaboration with the forces of other countries. But inasmuch as the military methods and practices of most Western countries differ in many respects, notwithstanding the common experiences of World War II, this collaboration has sometimes been difficult. Moreover, some of these differences are logical and perhaps even desirable; but unless they can be harmonized it stands to reason that the total effectiveness of such an international force is certain to suffer. This particular problem, I can assure you, is no longer the nightmare it might have been. In some of our air defense exercises, for instance, the air squadrons of three nations have practiced together in the same air action as a single unit under the same wing headquarters. The ability of these national units to work together efficiently is essential if we are to draw, as we must, the maximum strength from the forces available to us.



More than a year ago the nations of Western Europe had already made some progress in uniting the relatively meager forces then available. Under NATO the progress of integration has made a further substantial advance.


All NATO forces in Western Europe are concentrated under a single directing authority. This has produced a standardization of organization, training, and to some extent, equipment. As a result, all the forces can be employed more effectively. A program of this kind is of more than theoretical importance. It establishes sound organizational relationships, which are essential to combined action involving the complicated machinery of modern war. *defence against*

The mere fact of the NATO military organization has increased our effective strength. Let us measure carefully what this means. Instead of having, as in the past, separate bits and pieces of Armies, Air Forces, and Navies, scattered over Western Europe and surrounding waters, each limited by national custom and boundaries, we now have a more nearly homogeneous force capable of operating under a common head for a common purpose.

No organization, no matter how skillfully contrived, can attain its ends unless it has the tools with which to do its job. In military terms, this means ground divisions, air wings and naval formations.

The news of the last few weeks from the Lisbon Conference has indicated that, although considerable progress has been made in increasing the military

strength in Europe, some gap has developed between the planned figures for 1952 and the strength that will actually exist. This situation is understandable. The problems of procuring men, of training them, of organizing them into appropriate units, of providing them with equipment, of moving them to areas beyond their normal locations, of providing them with facilities essential to their comfort and effectiveness -- the interplay of all these factors may result in modification of the goals that were established months earlier, when all of the problems could not be clearly foreseen. As we know from our own experience, to have all these programs within programs come out even is an accomplishment normally not even expected within one service of one country. When the problem involves three services, several commands, and the forces of eleven nations, it is a source of great satisfaction to note the progress that has been made during the past year.

In the limited time available, I do not ~~wish~~ to discuss in any  detail the specific numbers relating to the NATO forces. I am sure that the reaction in the minds of most Americans is not specifically one of

how much or how easy, but is, rather, one of ability to do the job. Any answer to this question involves one in the dangerous field of prediction, where personal judgment is reflected in interpretations of known facts or circumstances. I will risk entry into that field, and give it as my opinion that even one the forces available to NATO are a significant factor. Beyond that, I believe that the progress now under way will, if approached within reasonable limits within the next few years, provide sufficient strength to justify the hope that the NATO mission can be accomplished.

Any well informed person will realize that this conclusion is not based only upon military arithmetic. Surely, in the defense of Western Europe there can be no exclusively military strategy, except in the narrowest experience. Consequently, the ultimate significance of military forces cannot be determined on the basis of military considerations alone. There is a balance, a relationship, between military forces and economic resources. There is a balance, a relationship, between military forces and our moral resources. Economic resources provide the foundation on which to build -- our moral resources give us purpose, direction and resolve.

For can an estimate of the effectiveness of the armed forces in one particular area, such as Europe, be considered complete until we take into account the world-wide effectiveness of all our forces everywhere. The increased speed and flexibility of modern communications has resulted in a greater unity and interdependence of all military forces. Military strength in the United States, for instance, has an influence on the forces actually engaged in Korea. Any estimate of the significance of the Allied Forces in Europe must take both into account.

Shortly after World War II, it became apparent that a continuing conflict of purpose existed between Communism and the West. Since that time, the world has remained in a state of shaky and uneasy equilibrium. No two people may agree as to the relative importance of the political, economic, moral, and military factors which tend to maintain a balance, but we all recognize military force as a factor of importance.

I have stated that the NATO forces in Europe are already significant; it is with this background that I make that statement. Sufficient

Handwritten:
1. *Handwritten:*
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3. *Handwritten:*

strength exists to accomplish something useful, ~~[adequate as it may be
to remove the complete misfired shot - have undertaken.]~~ The notion of
an aggressor would be resisted, and a toll would be exacted of him. Thus
there is an added increment to the weight on our side of the balance. The
forces now deployed in Europe take on an added importance.

The NATO idea is one of these great historical developments that in
moments of crisis mark the progress of western civilization. Inevitably
at the outset of such an undertaking, affecting the destinies and self-
interest of many nations of different cultures, one has the feeling of
marching toward an ever-receding horizon. The first stages are always
painful, the hazards many, and the traveler whose eyes are fixed on the
distant goal may succumb to momentary frustration and despair. But if
he should cast a backward glance over the route he has already traveled,
he may be agreeably surprised, if he has persevered, to discover how far
he has come, and how much of the journey is already behind him.

I believe that we may now, with regard to the great task we have
set for ourselves in Western Europe, permit ourselves the momentary

luxury of such a backward glance. The perspective that it will reveal is very different from the one we viewed with such anxiety only four or five years ago, before we set out on this momentous task. Then, in the pessimistic view of many, Western Europe seemed ~~about to slip into~~ ^{to be the} "Dark Continent." There were few among us then who would have dared to prophesy that the year 1962 would witness the acceptance by France and Germany of the principle of an integration of effort and purpose extending from the economic into the military field. Yet that has happened, and meanwhile Western Europe, having thrown off its lethargy, is proceeding with energy and resolution toward reclaiming its rightful place in the world community.

by a very much more degraded
and is a result of this
in a generation.

Therefore in measuring the strength of Europe let us not be discouraged by reports that this program has fallen short by 10 per cent, or that one by 5 per cent. The important thing is that we have come farther than we realize over a difficult and dangerous road. And the fact that every step seems to raise fresh problems is in itself a good sign; for it means that problems are being faced and overcome which before seemed insurmountable.

In other words, the NATO community is passing successfully through a phase that might be described as "the end of the beginning." A good start has been made; a foundation has been laid upon which to build an enduring structure.

There are many factors to be considered in building for the future. I shall mention only three.

First, it is essential that we have a stable program for developing allied military strength, a program ^{designed to cope with threat of military aggression} ~~consistent with the military requirements~~ ^{and requirements} and harmonized with the capacity to produce and to support ~~it~~.

Second, the effectiveness and economy achieved by the integration of

forces must be assured for the future by the establishment of a suitable organization structure. The European Defense Community is a significant step in this direction. The progress that has been made in this field is reassuring.

Third, the productive capacity of Western Europe should be developed to support and maintain, insofar as practicable, ^{with all living standards} the forces of Western Europe. Only in this way can we hope to achieve a solution to the long-term, continuing problem of fitting our overall resources to meet our requirements. Only in this way can we hope to achieve the balance that is essential to the stability of a great community — a community organized not for war, not for conquest, but for the preservation of its ancient ideals.

AS RECEIVED
AND FORWARDED TO THE DIRECTOR ON 3/20/52
MILITARY SECURITY
3 - MAR 1952 16
OFFICE OF S. & C. INFORMATION
RECEIVED 3/20/52

SECRET

SENSITIVE INFORMATION

EXECUTIVE OFFICE OF THE PRESIDENT
NATIONAL SECURITY RESOURCES BOARD

WASHINGTON 25, D. C.

MAY 29 1952

File
JUN 10 1952

MEMORANDUM FOR DR. STEELMAN
THE ASSISTANT TO THE PRESIDENT

SUBJECT: NATO Planning Board for Ocean Shipping

Because of your earlier interest in the matter, I want
to bring to your attention the attached memorandum with
respect to an issue on wartime pooling of merchant ships
which arose at the recent meeting here of the NATO Plan-
ning Board for Ocean Shipping.

Jack Gorrie
Chairman

Attachment

THOMAS L. JONES

6/1/52

* Natl. Security Resources Bd.

Stale Dr. 1, 1

6/1/52

6/1/52

6/1/52

SECRET

SENSITIVE INFORMATION

~~SECRET~~
EXECUTIVE ORDER OF THE PRESIDENT
NATIONAL SECURITY RESOURCES BOARD

WASHINGTON

May 23, 1952

MEMORANDUM TO THE CHAIRMAN

SUBJECT: NATO Planning Board for Ocean Shipping

X At the fourth meeting of the NATO Planning Board for Ocean Shipping (PNOS) held here last week, which the undersigned attended as Observer, the expected satisfactory progress was made on the regular business. However, an issue arose between the United States and other member countries which I think you should know about. This relates to the pooling of merchant shipping in event of war, the issue being raised as the seizure of the Department of Defense is held out from the pool U. S. merchant vessels required to be under U. S. military custody and jurisdiction.

As you will recall the United States in 1945-50 led in setting up the PNOS and took a strong stand in favor of wartime pooling of all ocean-going merchant ships. At first several of the NATO countries wanted to hold out from the pool certain tonnage which they deemed essential to meet their national needs but, largely upon U. S. insistence, all finally agreed to the complete pooling principle. This was embodied in the plan for a wartime Refugee Shipping Authority (RSA) to administer the pool in accordance with priorities determined by higher authority. The plan was approved by the NATO Council and has been the basis for much detailed work to provide for its effective implementation in event of war.

The U. S. military objected to listing in the PNOS inventory the merchant vessels under their jurisdiction but finally acquiesced in such listing, provided U. S. vessels "required to be under U. S. military custody and jurisdiction" will not be subject to pooling and allocation by RSA.

At the PNOS meeting last week a U. S. announcement to the above effect brought an expression of grave concern on the part of the other delegations. One after another their spokesmen protested, pointing out the inconsistency with the previous conduct of the U. S. and urging reconsideration. They said if the U. S. were to make an exception by holding out tonnage from the pool, many other countries would have to do likewise, thus seriously impairing the basis for effective and economical utilization of allied shipping resources in wartime.

x North Atlantic Council

~~SECRET~~

SLS:m

Under

16, 1952

20-21-52

SECRET
GROUP 1 - EXCLUDED

Memorandum for the Chairman

The report of this FROG meeting to the NATO Council includes a clear statement of the issue created by the U. S. announcement and requests on behalf of the other delegates that the U. S. Government reconsider its position as urgently as possible. The U. S. representative indicated that such reconsideration would be given.

The policy question thus raised is whether the interests of the U. S. with respect to availability of shipping to carry out strategic plans in event of war will be fully protected under the plan adopted by FROG and approved by the NATO Council, or whether the U. S. should seek modification of its basic peeling principle to provide for the exceptions desired by the U. S. military establishment. In the latter case account will have to be taken of exceptions which other NATO members may insist upon to meet special needs of their own.

Points brought out in discussion of this question include (1) that under the existing FROG plan each country will allocate its own tonnage during the interim between D-day and the time of effective organization of the Defense Shipping Authority, (2) that thereafter there may be "black allocations", where necessary for military or other special purposes, subject to review at suitable intervals, and (3) that the DSA and its subordinate bodies are to be service agencies, carrying out priorities established by higher authority and acting only by unanimous agreement in allocating tonnage.

Solution of the problem outlined above, as an international (NATO) matter, is of course within the jurisdiction of the State Department. The questions primarily concerned with the substantive issues involved are Commerce (Maritime) and Defense. Their differences came to a head only a few days before this FROG meeting, leaving inadequate time for careful exploration and reconciliation of views, or reference to higher authority, if necessary for decision prior to the meeting. It is understood that the State Department will take the necessary steps, in view of the request of the other NATO countries for reconsideration by the U. S. to resolve the question.

X

Alvin B. Barker X
Director of Transportation
Productive Resources Office

x Commerce Dept
x Defense Dept
x Federal Maritime Bd.
x Maritime Administration

SECRET



DEPARTMENT OF DEFENSE

Office of Public Information

WASHINGTON 25, D. C. X 1225-7u

Filed
7/9/52.

July 9, 1952

MEMORANDUM FOR MR. IRVING PERLMETER:

Letter 4/2/52 X 1225-7u *date X 1225-7*
Mr. Foster and General Bradley commented for background on President Truman's approval for the new U. S. unified command in Europe at a press conference Tuesday afternoon at which the attached press release or fact sheet was made available.

Both emphasized that the changes are primarily a logistical or administrative matter to better coordinate construction and supply for all U. S. forces in Europe. General Bradley cited some present duplication and overlapping, especially in control of supply lines. He mentioned that both Army and Air Force have separate supply lines running across France and that there are instances where Army, Navy and Air Force all have separate groups in Europe at the same time seeking bases in the same area. He mentioned that when General Handy becomes Deputy Commander to General Ridgway in this new setup, a successor to General Handy will be named for his present command.

X 1225-7u
X 1225-7u
X 1225-7u

The AP, UP and INS stories as carried after the session sum up the discussion that lasted the better part of an hour and are attached.

Andy Berding has asked us to pass you this note in anticipation of interest in the subject at the President's press conference Thursday.

X 34

H. Schooley
C. HERBERT SCHOOLEY
Chief, Press Branch

5

DEPARTMENT OF DEFENSE
OFFICE OF PUBLIC INFORMATION
WASHINGTON 25, D. C. NO. 158-528

HOLD FOR RELEASE
AFTER PRESS CONFERENCE
WITH DEPUTY SECRETARY OF DEFENSE
WILLIAM C. FOSTER
3:00 PM (EST) TUESDAY, JULY 8, 1952

FACT SHEET FOR THE PRESS

1. The President has approved a modification of the existing U.S. military structure in Europe by establishing a U.S. European Command and designating as the unified commander, to be known as "Commander in Chief U.S. European Command (US CINCEUR)," General Matthew B. Ridgway.

General Ridgway will coordinate for all U.S. forces in Europe all U.S. military matters of a logistical or administrative nature which are of joint interest, including U.S. military procurement (both off-shore and local). In addition, he will administer the military aspects of the Mutual Security Program for Europe, including the control and administration of those U.S. military agencies engaged in military assistance activities.

General Ridgway will also:

- a. Coordinate, as appropriate, with the U.S. Special representative in Europe on all matters within the cognizance of U.S. CINCEUR.
- b. Advise the JCS on military aspects of U.S. policies.
- c. Provide for U.S. military representation to all NATO, international, and U.S. national agencies in Europe except as otherwise specified by the Joint Chiefs of Staff.

2. This authority of U.S. CINCEUR includes only the areas designated for NATO plus the U.S. forces in Western Germany. This authority does not include U.S. forces in Berlin, Austria or Trieste. General Ridgway, as NATO commander, has no authority in non-NATO areas.

3. After this announcement General Ridgway will wear two hats: one as the NATO Commander (Supreme Allied Commander, Europe (SACEUR)); and one as Commander in Chief of all U.S. Forces in Europe (CINCEUR), except Berlin, Austria, and Trieste. These two jobs in no way conflict. This does not change the present arrangement whereby U.S. troops allocated to NATO would operate under NATO commands.

4. The new command will be a unified command under the Joint Chiefs of Staff. It interlocks what was formerly three separate U.S. commands: The European Command, now under General Handy with headquarters at Heidelberg; the U.S. Naval Forces Eastern Atlantic and Mediterranean, now commanded by Admiral Wright with headquarters

in London; and U. S. Air Forces, Europe, now commanded by General Norstad with headquarters at Versailles. These are now component commands under the new European Command. General Handy's present European Command will be renamed; it has not been decided what the name will be.

5. There is a difference between a JCS specified command and a JCS unified command. Both types operate directly under the JCS; the former consists normally of forces of only one service, whereas the latter normally has forces assigned to it from two or more of the services. The three commands mentioned above will continue as JCS specified commands for the execution of certain missions which would not fall within the purview of General Ridgway as a NATO commander. The JCS specified command (now the European Command) in Germany, for example, will continue to do currently assigned JCS missions with respect to Berlin.

Unilateral service functions of these three commands -- Army, Navy and Air Force administrative matters--will continue to be handled directly with the commander of the service concerned--the Chief of Staff U.S. Army, the Chief of Naval Operations, or the Chief of Staff U.S. Air Force.

6. It is anticipated that a new U.S. headquarters will be established close to General Ridgway. General Thomas T. Handy will be the Deputy U. S. Commander in Chief, Europe, and General Ridgway will, as he has been authorized to do, delegate extensively his U.S. authority and responsibility to General Handy.

7. The personnel of JAMAG, now stationed in London, will become the nucleus of the new U. S. staff. It has not been decided where the new headquarters will be established.

END

-2-

E

PM 172

RIDGWAY

WASHINGTON--PRESIDENT TRUMAN TODAY GAVE GEN. MATTHEW B. RIDGWAY DIRECT CONTROL OF ALL U.S. FORCES IN NATO EUROPE IN ADDITION TO HIS OVERALL AUTHORITY AS SUPREME COMMANDER OF THE WESTERN ALLIES.

THE DEFENSE DEPARTMENT ANNOUNCED THE DECISION IN A FACT SHEET WHICH SAID THAT RIDGWAY, WHEN WEARING HIS NEW, SECOND HAT WOULD BE KNOWN AS "COMMANDER IN CHIEF, U.S. EUROPEAN COMMAND."

DEFENSE OFFICIALS EXPLAINED THAT THE PRIMARY PURPOSE OF THE MODIFICATION OF THE EXISTING COMMAND STRUCTURE IN EUROPE WAS TO TIE UP A NUMBER OF LOOSE ENDS, PARTICULARLY IN THE FIELDS OF CONSTRUCTION AND SUPPLY.

RIDGWAY'S NEW RESPONSIBILITY, THE PENTAGON EXPLAINED, WILL EMBRACE ALL AMERICAN FORCES IN THE NORTH ATLANTIC TREATY AREAS IN ADDITION TO THOSE IN WESTERN GERMANY. U.S. FORCES IN BERLIN, AUSTRIA AND TRIESTE WILL REMAIN OUTSIDE OF THE NEW COMMAND.

DEFENSE OFFICIALS SAID THAT GEN. EISENHOWER, THE FIRST SUPREME ALLIED COMMANDER IN EUROPE AND HIS SUCCESSOR, GEN. RIDGWAY, BOIR HAD OPERATIONAL CONTROL OF ALL U.S. FORCES IN THESE AREAS, BUT ONLY IN THE EVENT OF AN EMERGENCY. THIS ARRANGEMENT, THESE OFFICIALS ADDED, LED TO SOME DUPLICATIONS, OVERLAPPIINGS AND WEAKNESSES, ESPECIALLY IN THE CONTROL OF LINES OF SUPPLY. THE NEW COMMAND SETUP IS DESIGNED TO PRODUCE COORDINATED CONTROL AND AUTHORITY, THE OFFICIALS ADDED.

THE PENTAGON FACT SHEET SAID THAT GENERAL THOMAS T. RANDT NOW COMMANDER OF US ARMY FORCES IN EUROPE, WILL BECOME DEPUTY COMMANDER IN CHIEF OF THE UNIFIED AMERICAN HEADQUARTERS UNDER RIDGWAY. RANDT WILL LEAVE HIS PRESENT HEADQUARTERS AT WEIDELBURG, GERMANY, TO SET UP THE NEW DEPUTY COMMAND AT A HEADQUARTERS CLOSE TO THAT OF GENERAL RIDGWAY'S NEAR PARIS.

THE PENTAGON EMPHASIZED THAT THE NEW COMMAND MACHINERY WOULD FUNCTION IN ALL MATTERS AFFECTING TWO OR MORE MILITARY SERVICES BUT THAT SINGLE SERVICE FUNCTIONS WILL CONTINUE TO BE HANDLED BY THE ARMY, NAVY AND AIR FORCE FROM THEIR CHIEF IN EUROPE DIRECT TO THEIR RESPECTIVE HEADQUARTERS IN WASHINGTON.

AMONG THE NEW DUTIES ASSIGNED TO RIDGWAY WILL BE THE COORDINATION OF ALL MILITARY MATTERS OF JOINT INTEREST TO THE THREE SERVICES, INCLUDING MILITARY PROCUREMENT. HE WILL ALSO ADMINISTER THE MILITARY ASPECTS OF THE MUTUAL SECURITY PROGRAM FOR EUROPE AND PROVIDE FOR U.S. MILITARY REPRESENTATION TO ALL NATO, INTERNATIONAL AND AMERICAN AGENCIES IN EUROPE, EXCEPT AS OTHERWISE SPECIFIED BY THE JOINT CHIEFS OF STAFF.

JA 533P 7/5

B

-(MILITARY STRUCTURE)

WASHINGTON--(UNITED PRESS-WCNS)--PRESIDENT TRUMAN HAS APPROVED A CHANGE IN THE U.S. MILITARY STRUCTURE IN EUROPE, PUTTING GEN. RIDGWAY IN CHARGE OF AMERICAN TROOPS THERE AS WELL AS THE NORTH ATLANTIC TREATY ORGANIZATION FORCES, THE DEFENSE DEPARTMENT ANNOUNCED. THIS AUTHORITY INCLUDES ALL U.S. FORCES EXCEPT THOSE IN BERLIN, AUSTRIA AND TRIESTE, THE DEPARTMENT SAID.

PURPOSE OF THE CHANGE IS TO COORDINATE CONSTRUCTION AND SUPPLY FOR ALL U.S. FORCES IN EUROPE, A SPOKESMAN SAID. HE EMPHASIZED THAT THE CHANGE IS STRICTLY OF A LOGISTICAL, OR ADMINISTRATIVE NATURE.

THE CHANGE WILL GIVE RIDGWAY A UNIFIED COMMAND UNDER THE JOINT CHIEFS OF STAFF WHICH FORMERLY WAS THREE SEPARATE U.S. COMMANDS.

GEN. THOMAS T. HANDY HEADED THE EUROPEAN COMMAND WITH HEADQUARTERS AT HEIDELBERG, GERMANY, VICE ADM. JERARD WRIGHT HEADS U.S. NAVAL FORCES IN THE EASTERN ATLANTIC AND MEDITERRANEAN WITH HEADQUARTERS IN LONDON, AND LT. GEN. LAURIS NORSTAD HEADS U.S. AIR FORCES IN EUROPE.

UNDER THE NEW ARRANGEMENT RIDGWAY WILL BE RESPONSIBLE FOR COORDINATING ALL ADMINISTRATIVE AND SUPPLY PROBLEMS AFFECTING THE THREE SERVICES. IN ADDITION HANDY WILL BECOME HIS DEPUTY U.S. COMMANDER-IN-CHIEF FOR EUROPE. RIDGWAY HAS BEEN AUTHORIZED TO DELEGATE A SUBSTANTIAL AMOUNT OF HIS AUTHORITY AND RESPONSIBILITY TO HANDY.

7/5--WC450P

B. r. . .

IX4N BUN (RIDGWAY)

BY DARRELL GARWOOD

INTERNATIONAL NEWS SERVICE STAFF CORRESPONDENT
WASHINGTON, JULY 8--(INS)--PRESIDENT TRUMAN TODAY CREATED A NEW
EUROPEAN COMMAND TO GIVE GEN. RIDGWAY CONTROL OF U. S. MILITARY SUPPLY
LINES AND MORE AUTHORITY IN INTERNATIONAL AFFAIRS.

THE ACTION, ANNOUNCED BY THE PENTAGON, DESIGNATES RIDGWAY "COMMANDER
IN CHIEF, U. S. EUROPEAN COMMAND" AS WELL AS "SUPREME COMMANDER,
EUROPE."

GEN. THOMAS T. HANDY, WHO NOW HAS THE TITLE OF U. S. EUROPEAN
COMMANDER BUT WHOSE AUTHORITY IS ACTUALLY LIMITED TO GERMANY, IS
TRANSFERRED FROM HIS HEADQUARTERS IN HEIDELBERG TO BECOME RIDGWAY'S
NUMBER ONE DEPUTY.

(MORE) 446PES AR

TX5N ADD ONE RIDGWAY (GARWOOD) WASHN XXX DEPUTY.

HANDY WILL SET UP HEADQUARTERS IN OR NEAR PARIS AS "DEPUTY U. S.
COMMANDER IN CHIEF, EUROPE." THE PENTAGON SAID RIDGWAY WILL "DELEGATE
EXTENSIVELY HIS U. S. AUTHORITY AND RESPONSIBILITY TO GEN. HANDY."

RIDGWAY'S NEW AUTHORITY IN U. S. SUPPLY AND INTERNATIONAL MATTERS
EXTENDS OVER THE NAVY'S EASTERN ATLANTIC AND MEDITERRANEAN
HEADQUARTERS, HEADED BY ADM. JERHAUD WRIGHT IN LONDON; OVER THE JOINT
ADVISORY MILITARY ASSISTANCE GROUP IN LONDON AND THE DIRECTION OF
MILITARY ASSISTANCE MATTERS; AND OVER THE AIR FORCES' EUROPEAN COMMAND
HEADED BY LT. GEN. LAURIS NORSTAD.

A SPOKESMAN SAID THAT THE U. S. ARMY AND AIR FORCE NOW HAVE SEPARATE
SUPPLY LINES RUNNING ACROSS FRANCE AND THAT IN SOME CASES THE ARMY,
NAVY AND AIR FORCE HAVE HAD SEPARATE GROUPS IN EUROPE AT THE SAME TIME,
ALL SEEKING BASES IN THE SAME AREA. THE OFFICIAL SAID THIS CAUSED
CONSTRUCTION TO GO DOWN FOR LACK OF COORDINATION. THE NEW JOINT
AUTHORITY GIVEN RIDGWAY IS DESIGNED TO ELIMINATE THESE FLAWS.

THE SPOKESMAN SAID THAT BOTH GEN. EISENHOWER, BEFORE HIS RETIREMENT,
AND GEN. RIDGWAY HAD RECOMMENDED THE NEW STEPS. RIDGWAY IS ALSO CHARGED
WITH PROVIDING U. S. MILITARY REPRESENTATION TO ALL "NORTH ATLANTIC
TREATY, INTERNATIONAL AND U. S. NATIONAL AGENCIES IN EUROPE EXCEPT AS
OTHERWISE SPECIFIED BY THE JOINT CHIEFS."

FOR DIPLOMATIC REASONS, U. S. FORCES IN TRIESTE, AUSTRIA AND BERLIN
ARE EXCLUDED FROM RIDGWAY'S NEW COMMAND.

HOWEVER, IT IS EXPECTED THAT HANDY SOON WILL ESTABLISH SINGLE
SUPPLY LINES FOR ALL AMERICAN FORCES, AND THAT THOSE IN TRIESTE,
AUSTRIA AND BERLIN WILL BE SERVED BY THE SAME LINES.

(MORE) 452PES 1 PGM AD

TX6N ADD TWO RIDGWAY (GARWOOD) WASHN XXX LINES.

HANDY'S PRESENT HEADQUARTERS IN HEIDELBERG WILL BE RETAINED FOR
DIRECTION OF U. S. FORCES IN GERMANY, BUT WILL BE REDUCED IN SIZE AND
GIVEN A NEW NAME. THE NAME AND HANDY'S SUCCESSOR IN THAT POST HAVE NOT
BEEN SELEGED.

452PES

NLT (Naval Aide) 387

OFFICE OF
THE SECRETARY OF STATE
WASHINGTON

DECLASSIFIED

E.O. 12065, Sec. 3.172

State Dept. Guidelines, March 6, 1982

By D. B. NLT, Date 5-10-88

August 29, 1952

~~TOP SECRET SECURITY INFORMATION~~SUMMARY OF TELEGRAMSBALTIC
MANEUVERS

Our Ambassador at Oslo had discussed with Admiral Briand details of the Baltic phase of MAINBRACE. He reports that apparently the main reasons for having a Baltic phase of MAINBRACE are that (a) Danish forces need the experience, especially in conjunction with Allied Forces; (b) the Danes would also derive much reassurance as to Allied concern for Danish defense and willingness to aid directly in it and (c) the Danish military planners under Admiral Briand proposed and developed the Baltic phase of the exercise themselves, although without much initial political guidance, and would have had chips of several nationalities calling at Bornholm if Admiral Briand, and later the NATO Standing Group, had not modified that portion of the plan.

As now planned, the exercise calls for three light British Naval vessels to proceed 30 nautical miles eastward of Bornholm. These vessels will then move west toward the Danish coast simulating an attacking force, taking care to stay at least 15 miles away from the coast. Danish coast, Allied submarines, MTBs and other small craft are supposed to detect and intercept. The only vessels putting into Bornholm are to be small Danish craft for refueling purposes during one day. Allied aircraft will not go out over the Baltic area. The waters thus being utilized by the naval units have been chosen partly because they are about the only ones in the eastern Baltic deep enough for submarines and because they have heretofore been used for naval exercises by the Danes and even by the British in connection with the Danes. From a strictly military viewpoint, the Baltic phase and especially the Bornholm part of it is a relatively minor segment of the whole. If necessary, the exercise could be modified by eliminating the refueling visit to Bornholm and even by moving the eastern limit of the exercise further west. Our Ambassador gathered that such limitations would have their technical disadvantages.

Admiral Briand has informed SHAPE that if the final decision is to modify the exercise, he would endeavor in handling his next public announcement in such a manner as to minimize reaction thereto. He considers he has not so far disclosed just how far east his ships actually will go. He had publicly confirmed that no American forces would participate in the Baltic and that no "foreign forces" would go to Bornholm.

~~TOP SECRET SECURITY INFORMATION~~

B.F.

~~TOP SECRET SECURITY INFORMATION~~

Our Ambassador reports that Admiral Brind himself would like from an operational standpoint to proceed as planned but recognizes that the final political judgment is beyond his competence and that it could dictate modifications or even cancellation of the Baltic phase. In that event he would cooperate to the best of his abilities to minimize the political effect of such action.

IRAN Key substantive personnel of the Embassy at Tehran have re-evaluated the problem facing the United States in the light of the attitude demonstrated by Mosadeq upon presentation of the recent US-UK acts.

It was the consensus that existed before September 3, Mosadeq could be given assurance satisfactory that Iran would receive in the immediate future financial and economic assistance with relatively few strings attached from UK or US or both collectively in amounts aggregating not less than one hundred to one hundred and fifty million, chances were at least more than even that he would take radical measures which would profoundly affect the present international situation and the future of Iran. Among steps which he would most likely take would be (a) severance of diplomatic relations with the UK, (b) recall of US Military Missions and refusal to accept further US military aid, (c) a series of measures designed to give expression of resentment against the US, such as, request that individual members of the Embassy be recalled on the libtious grounds of interfering in Iranian internal affairs, withdrawal of certain privileges and courtesies in matters of exchange, customs, etc. He might even go so far as to permit harassment of Point IV activities to such an extent that they could no longer be effectively carried on. These steps would probably be accompanied by intensification of the anti-British and anti-American agitation and of efforts to sell crude oil abroad, particularly to "independent" U.S. oil companies who Mosadeq appears to believe are now prepared to buy.

Ambassador Henderson agrees with this consensus and observes that, at present, unfortunately there are no Iranians trusted by present government who are capable of formulating and carrying out most of reform programs which are being proposed. Furthermore Iranian suspicion of foreigners is so intense that foreign advisers, no matter how tactful, intelligent, able and "neutral", are certain to encounter great difficulties in their efforts to formulate and execute programs. It is by no means certain therefore that if massive assistance were extended to Iran in form of money or goods it would be utilized to best advantage. Furthermore there is no assurance that extension of such assistance would promote long term good feelings between Iran and country which gives. On other hand, failure to extend this assistance might result in a series of immediate disastrous reversals for free world.

~~TOP SECRET SECURITY INFORMATION~~

B-1

THE NORTH AFRICAN PROBLEM

11/14/52

The present situation in New York at the Seventh General Assembly concerning Tunisia and Morocco is principally significant as a symptom of the basic North African problem which is confronting us. French absurdity at the UN in refusing to admit the General Assembly's competence and in announcing that France will in no way be bound by anything that is done in New York merely reflects French hypersensitivity on North Africa as a whole. The activities of the Arab-Asian bloc at the UN on the Tunisian and Moroccan cases presumably accurately reflect the interest of those states in championing the cause of dependent peoples generally.

The French View

We have over-abundant evidence that North Africa is the greatest single problem in the international field in the eyes of Frenchmen from the Prime Minister down to the taxi-driver and café habitué. Any initiative from any source which is interpreted by French opinion as challenging French control over North Africa produces the most intemperate reaction. Our experience has shown that it is virtually impossible to reason with French opinion on this question and the Pinay Government accurately interprets French feeling on North Africa to us and to others.

North Africa is far more important to France than is Indochina from the geographical, financial, military and prestige points of view. Additional UN aid to France represents a grave problem but one which can more easily be kept within bounds than North Africa, and one which is less of a basic irritant in France-American relations. Likewise the German question and German equipment through the ECDC, despite their importance, are less of a worry to France than any threat, real or imagined, to her control in North Africa.

For the above reasons, which are very basic to the French, France, in fact, will not tolerate any outside interference in Tunisia or Morocco though she is pledged to introduce reforms in both of these Protectorates within the framework of bilateral negotiations, and we feel that it is only through this channel that, practically speaking, any progress can or will be made.

The Arab-Asian

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Security Information

C.O. 12356 REF. 60 WITH COMMENT

Project NLT _____

By NLT MC MSG DO 11/14/52

B. File

The Arab-Aisian Issue

The foregoing should, in no sense, indicate that the Arab states and, to a slightly lesser degree, the Asian nations do not likewise feel strongly about this subject. They are convinced action should be forced through the UN or any other available channel to obtain full political freedom for the Moroccan and Tunisians just as soon as possible. (Algeria having been integrated politically into France for over 50 years, represents a somewhat tougher problem to tackle from their viewpoint.) There is perhaps little need to expand on the feelings of these nations, many of whom have themselves recently gained their independence, regarding French "colonialism" and the necessity for ending it. Tunisia and Morocco, as a matter of fact, are considerably further advanced than several of the Arab-Aisian states that have already achieved their independence.

The US Position

The direct clash of southeast and northwest Africa poses the US with an obvious major policy dilemma, and one of our main objectives in the area is certainly to handle North African problems in such a way as to cause the least possible disturbance in our relations with France and her NATO partners such as the UK and Belgium on the one hand and the Arab-Aisian bloc on the other. Unfortunately, we have seen from our US experiences since last spring that no course of action satisfies both sides.

However in considering this thorny question, we cannot forget our own immense general strategic interest and specific strategic involvement, through our air base program in Morocco, in the area. It is our feeling that this special interest as well as our more general NATO interest, are best safeguarded by as full support of the French position as the circumstances will permit. While we should not give France a blank check in North Africa, it is in our interest to give France substantial support in the area. On the other hand it must not be forgotten that the Arab states in particular will be unimpressed with our strategic considerations and cannot be expected to like an American policy based to any large degree thereon. On the contrary they will be strongly critical of our support of France, even though we have repeatedly pointed out that we think that the political problem is basically a bilateral one on which outside states can only hinder an eventual solution if they single actively therein.

North Africa

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~~Security Information~~

B. File

~~CONFIDENTIAL~~
~~SECRET~~

- 3 -

North Africa is the greatest bone of contention in our relations with France. Our traditional anti-colonialism has made us suspect and our recent UN votes have merely, in the French view, pointed up once again our basic lack of sympathy with the French position in Morocco and Tunisia. Our great problem with the French over the coming months will be to allay their fears and convince them of our sincere belief that the continued French presence in North Africa is essential to our common aim, while at the same time, continuing to make quite clear that we think they must move along on political reform in the two Protectorates in order to stay ahead of the storm.

~~SECRET~~
~~CONFIDENTIAL~~

File

September 13, 1951

Memorandum for: W. Averell Harriman

From: The President

Attached is the letter from General Eisenhower. I was glad to get the opportunity to read it. I imagine when people are on the other side of the ocean and the Congress begins cutting the ground from under them they do have an ill feeling in the stomach, as Ike says he has, but I think we can continue the support and we will come out all right in the long run.

H.S.J.

Supreme Headquarters
Allied Powers Europe
6 September 1951

Dear Averell:

General de Lattre is soon to come to the United States, and already there has been arranged for him a program that will bring him into contact with most of the people that he should appropriately see. However, I think it worthwhile to suggest to you that you make a special effort to see that nothing comes up to interfere with your opportunity of having a talk with him.

He is, of course, primarily concerned in Indochina. But he does seem to appreciate thoroughly the fact that the struggle against Communistic dictatorship is a global one; that his own war is a particular phase and part of the whole. Consequently, it is not difficult to follow most of his arguments. Exactly what requests he will make upon our Government and/or the United Nations, I do not know. But he will, beyond all doubt, reflect clearly the French conviction that it is impossible longer for France to carry the full burden, or practically the full burden, of the Indochinese War and still to produce maximum defensive force in Europe and sustain economic stability. I have had numbers of talks with civil and military leaders on this particular subject. I am sure the French are sincere - my hunch is that they are also reasonably accurate. However, I know that the United States has so many difficult problems of its own, so many obligations to meet, that I cannot tell what priority this particular problem should assume in American calculations. I contented myself with advising General de Lattre to put his case frankly and fully in front of responsible officials. I told him also that he, on his part, should invite a free discussion and to study carefully whatever viewpoint the American authorities might bring to bear. I personally think that his greatest hope

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E.O. 12958, Sec. 3.400

000 Director 510030, 3-17-1978

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By NLT-HL NNDG, Date 6-17-83

is that we can find some way of helping build up a native Indochinese army, one capable of defending the country with a minimum of French help. He seems quite worried as to what will happen in that corner of Asia if there is an actual "cease fire" in Korea. While he indulges in a great deal of speculation on this particular point, my own feeling is that we should try to solve the problem on the basis of its present importance, significance and circumstances.

By the morning's paper I see that the Persians are really pouring it on the British once again. I hope that you don't have to go back to that corner of the world; but I must say that every new bit of evidence that seems to indicate the probability that Persian oil will no longer be available to the West gives me a sinking feeling in the middle.

While you were away from Washington I wrote quite a lengthy letter to General Marshall. From one of his assistants I later learned that it was considered important enough that it was circulated to a few officials about the City. As I recall, the letter contains nothing that I have not already told you, but if you think it worthwhile, I will send you a copy upon your request.

Please remember me kindly to Marie, and, as always, warmest regards to yourself. Also, I should like you to pay my respects to the Chief.

Cordially,

s/ Tks

Mr. Averell Harriman
The White House
Washington 25, D. C.

~~SECRET~~

SIGNAL CENTER
The White House

24 October 1951

FROM: Mr. Harriman, Paris
TO : THE PRESIDENT ONLY
NR. : Unnumbered
DTG : 241910Z

Thanks for message. Ike plans to arrive Washington morning November first. I will have a chance to talk to him personally later this week, as he is returning to Paris from Scotland before my departure for Washington on Saturday. He feels that it would make things easier for him if announcement of his visit is withheld until about the time of his departure from Paris noon October 30-first Washington time.

Signed: HARRIMAN

Recd: 242120Z

DECLASSIFIED

E.O. 12065, Sec. 3.402

DOD Directive 5100.30, 1-12-83

By NLT-HW NARS, Date 1-12-83

~~SECRET~~

*File
Confidential
EB.
11-10-51*

Signal Center

26 October 51

FROM: Ambassador Harriman, Paris

TO : THE PRESIDENT

Nbr : Unnumbered Filed 261140Z

PERSONAL FOR THE PRESIDENT ONLY.

Following Matt Connelly's telephone conversation, I got in touch with Dan in Scotland. He will be in Washington, Monday, November 26, as suggested. I reviewed the schedule of work here and feel that because of the shortness of time for our committee to make report, it would be difficult for me to remain in Washington later than Saturday afternoon, November 3d, unless of course you wish me to stay over.

Rwd: 261342Z/h

~~SECRET~~

STANDARD FORM NO. 64
Prescribed by the President
MARCH 21, 1951

C.F.

From

The White House

Washington

TELEGRAM
OFFICIAL BUSINESS GOVERNMENT RATES

OK 12:12 PM

HONORABLE W. AVERELL HARRIMAN

OCTOBER 22, 1951

Full
Confidential
S.B.
11-10-51.

I WILL BE GLAD TO SEE IKE EITHER OCTOBER THIRTY-FIRST OR
NOVEMBER FIRST OCTOBER THIRTY-FIRST IS THE DAY PRINCESS
ELIZABETH ARRIVES SHE WILL STAY OVER UNTIL NOVEMBER SECOND
BUT THAT WILL NOT INTERFERE WITH MY CUSTOMARY DAILY WORK

x Army Dept
x Air Force Dept
x Mutual Security Agency

HARRY S. TRUMAN



Sent via Signal Center
Championed as a necessary measure

~~SECRET~~

SIGNAL CENTER
EAST WING
THE WHITE HOUSE

21 October, 1951

TO : THE PRESIDENT,
The White House,
Washington, D. C.

FROM : Ambassador Harriman,
Paris, France

RNR : UFGC 11A File Time 210005Z

PERSONAL FOR THE PRESIDENT:

I have been in touch with Eisenhower, who is in Scotland, regarding plans for his trip to see you in Washington. He is prepared to arrive in Washington between 9:00 and 9:30 AM on either October 31st or November 1st, if one of these days would suit your convenience. They are suggested as they fit into his schedule and at the same time would not seriously interfere with my work here. Are either of these days satisfactory to you?

I plan to arrive in Washington on October 28th to line up my new work as Director Mutual Security and stay on until Eisenhower's arrival. Am I right in assuming that you would wish to see him alone before having a larger meeting with others concerned?

/s/ Harriman

~~SECRET~~

DECLASSIFIED
E.O. 12045, Sec 3-
State Dept. Guidelines, M
By 62 NLT, P

THE WHITE HOUSE

WASHINGTON

October 31, 1951

MEMORANDUM FOR: THE PRESIDENT

Copy to: Mr. Short

The following are the appointments involving General Eisenhower for next Monday, November 5th:

12:45 p.m. General Eisenhower will see the President alone and will motor with the President to the Blair House for luncheon at 1:00 p.m.

3:15 p.m. The President and General Eisenhower will meet with the following in the Executive Office:

Hon. Robert A. Lovett,
The Secretary of Defense
Honorable James E. Webb,
Acting Secretary of State
Hon. Frank C. Pace,
The Secretary of the Army
Hon. Dan A. Kimball,
The Secretary of the Navy
Hon. Thomas K. Finletter,
The Secretary of the Air Force
The Joint Chiefs of Staff
Hon. Charles E. Wilson,
Director of Defense Mobilization
Hon. William C. Foster,
Deputy Secretary of Defense
Hon. Frank Nash,
Asst. to the Secretary of Defense
for International Security Affairs



M. J. C.

66
 North Atlantic Treaty Organization
 Shape



NOVEMBER 1, 1951

GENERAL DWIGHT D. EISENHOWER #
 SACUR
 PARIS, FRANCE.
 X PP7267
 X 408

IN ACCORDANCE TO HARRIMAN TELEPHONE CONVERSATION WITH CARROLL I
 ANNOUNCED THIS MORNING THAT AT PRESIDENT'S SUGGESTION YOU WOULD MAKE A
 BRIEF VISIT WASHINGTON TO DISCUSS NATO AND SHAPE MATTERS WITH PRESIDENT
 AND OTHER OFFICIALS. ALSO INFORMED HARRIMAN YOU WERE LEAVING PARIS FRIDAY
 NIGHT, INTENDING SPEND WEEKEND FORT MONMOUTH PRIOR TO REACHING WASHINGTON
 MONDAY MORNING FOR TWO DAYS OF CONFERENCE. BEST REGARDS.

JOSEPH STOUT
 SECRETARY TO THE PRESIDENT



x66 North Atlantic Treaty Organization

January 31, 1952

7306

Personal and Confidential

Dear Ike:



I certainly appreciated your good letter of the twenty-third. You can rest assured that no matter what the professional liars and the pathological columnists may have to say, you and I understand each other.

I certainly hope that Lisbon meeting will turn out all right. It looks as if the French have thrown a monkey wrench in the Schuman Plan. I've always been amazed at the manner in which the French and British can upset their own apple carts, but they seem to have a genius for doing just that.

I think we are approaching a condition in world affairs where we can become powerful enough to ward off a third world war, if we continue the Foreign Policy which we have been pursuing. I think you understand it as thoroughly and completely as I do.

I hope everything is going well with you and that it will continue to go just that way. Please remember me to Mrs. Eisenhower.

Sincerely yours,

HARRY S. TRUMAN

General of the Army
Dwight D. Eisenhower
Paris, France

Supreme Headquarters
Allied Powers Europe
23 January 1952



PERSONAL AND CONFIDENTIAL

Dear Mr. President:

I am grateful for the courtesy of your letter, to say nothing of your thoughtfulness in sending to me a recording of your press conference. It is difficult to understand why any individual should want to produce irritation or mutual resentment between us. I suppose the hope is for an impulsive and possibly critical statement from one of us with respect to the other, thus making news. I deeply appreciate your determination to avoid any such thing - a purpose which does and will govern my own conduct. Unquestionably, you recognize the identity between my recent public "political" statement, which I finally felt forced to make, and the analysis of my position as I described it to you in the note I wrote just after New Year's.

The Lisbon meeting is now scheduled for the 16th of this month. I do not plan to attend, but I am hopeful that out of it will come clear proof of progress in attainment of European solidarity and security. The Schuman Plan, having been approved, serves as sort of an example for what could be done also in the military field. Beyond this, there will never be a viable economy in this region except through some kind of economic and possibly political federation. Therefore, if the governments of these particular regions will take the plunge and begin the definitive study of ways and means for this kind of union, I am certain that the step would be heartily welcomed by all thoughtful Americans.

It was a great disappointment to learn that it had been found necessary to take Ambassador Bruce out of his present post. His value to NATO and to me has been incalculable, and this work is bound to suffer to some degree. Quite naturally, when a public servant is as able and devoted as is David Bruce, there is always competition for him everywhere. But I doubt that anyone else can have as much influence as he in inspiring European governments, led by the French, to take action along needed lines. Much of this needed action does not demand additions to national budgets.

We are obviously approaching, indeed we are in, a critical period in NATO affairs. If the Lisbon meeting can only show real progress toward European military and other unity, as well as provide a satisfactory answer to the Greek-Turkish question and adopt a satisfactory program based upon the "Wise Men" recommendations, we should be able to look to the future with increased confidence.

With best wishes to you and your charming family,

Respectfully,



The President
The White House
Washington 25, D. C.

PERSONAL AND CONFIDENTIAL



Personal and Confidential

Dear Ike:

Thanks very much for your good letter of the ninth.

I certainly hope that the Lisbon Conference can attain a concrete result which will let us go forward promptly with the program we have in mind.

I am more than happy to have your comments on the French attitude - I can understand the French fear of Germany. Since 1870, 1914, 1942 and 1943 they, of course, have grounds for fear of their northern neighbor but I am hoping that the program which we have in view will tend to alleviate that fear and that we can get Britain, France, Germany and all Western Europe in a position where we can attain a long-time peaceful settlement of our present difficulties.

You are making a great contribution to this end and I can't tell you how much I appreciate it.

Sincerely yours,

HARRY S. TRUMAN

General of the Army
Dwight D. Eisenhower
Paris, France



DDE

Supreme Headquarters
Allied Powers Europe
9 February 1952



Dear Mr. President:

Your bewilderment as to the motivations of the French Government in some of its actions is certainly understandable. I have come to the conclusion that at the very bottom of all their "backing and filling," their seemingly contradictory statements and actions, is an instinctive, inbred fear of Germany and the Germans. With a growing realization of the severity of their economic crisis, occasioned partly, although not wholly, by the Indo-China war, they have to accept a slower rate of military preparation than originally planned. This, in turn, makes them fear that in any collective venture in Europe, be it political, economic, military, or all three, Germany would completely dominate. This fear seems to be shared less by the uniformed services than by political leaders and intellectuals. However, it is a very real thing and its influence, I am convinced, is very marked.

On our part, we can advance all of the obvious arguments in showing that even if the fear is not groundless, it is of far lesser importance at this moment in the world's history than is the certainty that the great Communist dictatorship is both aggressive and implacable. But, parts of France have been occupied three times in eighty years by the Germans—this fact is an important one in all their thinking and in all that they do.

This is not to say that many Frenchmen do not agree wholly with the contention that the free world must now produce collective security or France will be one of the earliest and surest victims of our neglect. The circle of Frenchmen who believe this is growing, and I sometimes think that the truth is more widely understood in the country than it is by the Government itself.

Averell is now here. He and Mr. Draper are preparing for the Lisbon meeting, and I do hope that some real accomplishments will there be realized. After all, we are on a job in which there is no acceptable alternative to success. More and more people are coming to realize this.

With every good wish,

Respectfully,

Dwight D. Eisenhower

The President
The White House
Washington 25, D. C.



THE WHITE HOUSE
WASHINGTON

U. S. Naval Station
Key West, Florida

March 20, 1952



Dear Ike:

I certainly appreciated very much your good letter of the eleventh regarding your recent trip to Turkey and Greece. I wish the morale of some of our Western allies would come up to the high point of the countries which you have just visited.

I was more than happy to have your comments on what might happen if General de Gaulle came into power in France.

We are working hardily on the economic situation in both France and Britain. One of our difficulties is brought about by the fact that some of our friends in Congress have not been acting enthusiastically for the maintenance of peace as they have in the past, but that is a customary disease in an election year.

I hope everything is going well with you and that it will continue to go just that way.

Sincerely yours,

General of the Army Dwight D. Eisenhower
Supreme Allied Headquarters
Allied Powers in Europe
Paris, France

HST:wr

D D E



Supreme Headquarters
Allied Powers Europe
11 March 1952

Dear Mr. President:

My recent trip to Turkey and Greece brought me in contact with governments and peoples who are refreshingly certain as to their own international aims and purposes and who appear to be rather firmly united among themselves in support of policies in the security field.

In both countries, I listened to political and military leaders using expressions somewhat as follows: "Of course, we need help of various kinds. We are not capable of producing needed military equipment and we do not have the money to buy. But with help or without help, we will fight if attacked. We will do better if supported, but we will fight to the bitter end and will never give up."

In both countries, I likewise found a favorable opinion toward the entire NATO project. They are exceedingly proud of their membership in the Organization. On the other hand, their low opinion of the spiritual, economic, and military strength of some of the other NATO countries was often openly expressed. These strictures were directed mainly toward France and Italy - strangely enough, I think that France was less respected than Italy.

While in neither country was I importuned to support a top priority position for the local government in the receipt of American arms, there was no lack of argument presented in the attempt to prove that each would use any such arms most effectively. For example, Turkey insists that, over and above the nineteen divisions that she calculates as needed for the defense of her own

territory, she could provide six other reliable divisions at a cheaper cost than would be incurred in any other country. Part of this derives from the fact that the Turkish common soldier receives a salary of twenty-one cents per month. (In Greece, this sum is a trifle over three dollars.) One Turkish official told me that the original cost of providing the six mobile divisions would be one hundred ten million dollars. Incidentally, he stated also that the Turks would make these divisions available for use at any point designated by SHAPE.

The situation here in France is anything but encouraging. The Pinay Government, which faces its first test today, seems to me to be merely a slightly altered version of the governments that have been repeating themselves over and over again, in this country, during the past several years. It has no new principle, policy, or particularly strong personality to give it any great promise of more permanency than has applied to the others.

If General DeGaulle came to power, the government headed by him would presumably be reasonably stable, since he has consistently stated that he would accept responsibility only with the promise of a changed constitution that would strengthen the central government. However, he has so blatantly attacked NATO and American policy and position that, from the standpoint of effective cooperation, I don't know what would be the results of such a development. His attacks on the European Army would be understandable if he were ready and willing to see Germany, independently, build up military forces as she chooses and to occupy an equal political position with France in any agreement drawn up between them. This I do not believe that France is prepared to accept and I do not think that the moderate elements in Western Germany want to risk what could develop into a revival of German militarism.

As you know, the economic crises of France and Britain, and of course Italy, pose to all of us definite and serious problems. To



my mind, the big thing is that we must not lose sight of final objectives. I think that to emphasize too much the need for adhering to preconceived schedules and programs ignores the obvious truth that national expenditures must always be tailored to national capabilities in the economic and financial field. We must remember that France has left no power to raise money by internal loans. If she goes in for deficit spending, there is only one possible recourse - inflation.

Of course, it is the primary business of Mr. Draper and his associates to deal with such tough problems. But we all know that it is no longer possible to separate so-called military activity from the other processes of national life and deal with them in a vacuum. We all have to work together.

I know and like Mr. Dunn who is coming here as our new Ambassador. He has the reputation of being a very capable individual but, from my viewpoint, I still regard it as scarcely less than tragic that David Bruce had to be relieved. His standing in this region was not only that of a very capable American Ambassador, he was almost regarded as the foremost statesman of the country.

As you can well imagine, my own life grows no easier. The complications of SHAPE responsibilities are enough to keep any man fully occupied throughout his waking hours. Add to this the many other kinds of personal and public questions that are constantly urged upon me, and I sometimes wonder how I keep my sense of humor.

Very respectfully,

The President
The White House
Washington, D. C.

THE SECRETARY OF DEFENSE
WASHINGTON



April 10, 1952

Dear General Eisenhower:

In accordance with your request contained in your letter of 2 April, and with the approval of the President, I am taking appropriate action to secure your release from assignment as Supreme Commander, Allied Powers Europe, effective 1 June, and to have you placed on inactive status upon your return to the United States.

With kindest regards, I am

Very sincerely yours,

General Dwight D. Eisenhower
Supreme Commander
Allied Powers Europe
APO 55, C/o Postmaster
New York, New York

RAL:vwa

Supreme Headquarters
Allied Powers Europe
2 April 1952

COPY

Dear Mr. Secretary:

I request that you initiate appropriate action to secure my release from assignment as Supreme Commander, Allied Powers Europe, by approximately June 1st, and that I be placed on inactive status upon my return to the United States. A relief date fixed this far in advance should provide ample time for the appointment of a successor and for any preparation and counsel that he may desire from me.

This proposal is in the spirit of the understanding I gain from officials in Washington who outlined the special purposes of my original appointment in December 1950. At that time it was believed by those individuals that, because of past experience, I had relationships with respect to Europe which would facilitate the formation of a common defense structure and the establishment of a pattern for its operation. An assumption on the part of responsible officials of our Government that I could be helpful in the vital task of preserving peace was, of course, a compelling reason for instantaneous return to active service and acceptance of this assignment.

As of now, I consider that the specific purposes for which I was recalled to duty have been largely accomplished; the command has been formed, its procedures established, and basic questions settled. Moreover, a program of growth and development, based on early experience and searching reexamination, has been agreed at governmental levels. There are many difficulties to be overcome but, given the wholehearted support of the NATO community, this program will provide a reassuring degree of security in this region, despite the continued presence of the threat of Soviet Communism. There is every reason to believe that the NATO nations will continue to work together successfully, toward the goal of a secure peace.

Sincerely,

(signed)

Dwight D. Eisenhower

Honorable Robert A. Lovett
Secretary of Defense
Washington 25, D. C.

Supreme Headquarters
Allied Powers Europe
2 April 1952



Dear Mr. Chairman;

I have this date requested the United States Government to initiate action looking to my relief as Supreme Commander, Allied Powers Europe, by approximately the first of June.

This action is in consonance with my understanding and intentions when the President of the United States, in response to request from the NATO Council, appointed me to the post more than a year ago. It was assumed at that time that wartime experience particularly qualified me to facilitate the initial organization of SHAPE, establishment of its procedures, and the institution of basic programs. Since these phases are now accomplished and, in view of the press of other developments, it is my hope to return to inactive military status.

In addition to establishing organizational and procedural patterns, I feel that we have made considerable progress during the past year in our efforts to build adequate defenses in the European region. As related to you in my Annual Report, these gains were accompanied by a number of shortcomings and continuing problems. But, in the main, the results have been definitely positive.

The way to greater progress over the coming months was charted in the memorable conference at Lisbon, the prime significance of which was the coordination of military requirements with economic capabilities and the setting of specific goals for each of the NATO countries. If these goals are achieved, we shall see, by the end of this year, respectable forces established on the Continent, with the promise of further increase in future years, including substantial German reinforcement through the European Defense Force. I know that you and your associates will spare no efforts to bring into realization all the essential steps agreed at Lisbon.

When I entered upon my duties in December 1950, I was sure that our common task in Europe was a job that had to be done. From later experience, I am convinced that it can be done and that, given full cooperation, it will be done.

Throughout the period of my service here, the support of the NATO governments, peoples and armed services, and of the Standing Group and Military Committee has been a prime factor to whatever success we have achieved in this command. I am most deeply grateful to you and hope that our NATO commands under your direction will continue to flourish as guardians of the peace.

Sincerely,



(signed)

Dwight D. Eisenhower

Lieutenant General Paul Ely
The Chairman
The Standing Group
North Atlantic Treaty Organization
Room 2E865, Pentagon
Washington 25, D. C.

The President Elect came to see me day before yesterday, Nov. 18, 1952.

When he came into the President's office he had a chip on his shoulder. Only one photographer was allowed to take pictures in the office. He made three exposures. Two were good, one looked grim. The grim one was used by the N. Y. Times and one or two other like papers. The two good ones were used by some of the Metropolitan Dailies.

The press is still in a bad fix. Only attacks on the Administration sells papers. When he has to take unjustified attacks by his fair weather friends, I wonder what effect it will have.

I told him when he came into the Presidential office that all I had in mind is an orderly turnover to him. I gave him the world globe that he gave to me at Frankfurt on my way to the conference at Potsdam. I offered to leave the pictures of Hidalgo, the Mexican Liberator, given to me for the Presidential office, San Martin given to me by the Argentine Government and Bolivar, given to me by the Venezuelan Government, in the President's office. I was informed very curtly, that I'd do well to take them with me - that the Governments of these countries would, no doubt, give the new President the same pictures. Then I gave him the world globe that he used in World War II which he had given me at Frankfurt when I went to Potsdam. He accepted that - not very graciously.

I told him that I wanted to turn the Administrative Branch of the Government over to him as a going concern and that I had instructed my White House Staff and all Cabinet Officers to co-operate in this undertaking.

He asked me if I had a Chief of Staff in the White House. I told him that there is an Assistant to the President, Dr. John Steelman, who coordinates the differences between Cabinet Officers and between the President's Secretaries, but that any member of the Cabinet and any Secretary or Administrative Assistant is at liberty to see the President at any time on any subject.

B 711

I advised him that his Appointment Secretary would be his personal contact with the public. I told him that this man must be a real diplomat, able to say "No" nine-tenths of the time and make no one angry. I told him that his Press Secretary must be able to keep press and radio-television in line. He must be familiar with reporters problems and be able to stand between the President and the press and radio. I advised him to obtain a correspondence secretary who could suggest answers to 75% of the mail, keep track of birthdays, special days, proclamations and be able to write letters he could sign after reading the first paragraph.

I told him he must have Assistants who could talk to State, Treasury, Commerce and Labor, that he must have one to act as personnel officer to head off job hunters and to investigate and make recommendations for all positions filled by Presidential appointments. I informed him that he should have a "minority group" assistant to hear complaints and assuage the hurt feelings of Negroes, Mexicans, Puerto Ricans, Indians and any other groups including Poles, Lithuanians, Irish and what have you.

I think all this went into one ear and out the other.

Then I took him back to the Cabinet Room and had the Secretary of State, the Secretary of the Treasury, the Secretary of Defense and Averell Harriman brief him and answer questions. Gen. Eisenhower was overwhelmed when he found what he faced.

He had Sen. Lodge and Mr. Dodge with him. Dodge is an able, honest man.

I also told him in my office that he must have a counselor who knows legislative procedure and who could write bills and analyze laws which came up to him to sign.

B F

TELEGRAPH BRANCH

~~SECRET~~

1:00 A

25-D-X

Action

EUR

Control: 8992

Rec'd: September 19, 1951
10:13 p.m.

FROM: Ottawa

To: Secretary of State

RE: SECTO 22, September 19, 4 p.m.

DECLASSIFIED

E.O. 12065, Sec. 3-402

State Dept Guideline, June 9, 1989

PROJECT 405 #1-1
By NLI-BL NARS, Date 6-29-01

Info

SS

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SISA

NEA

DCL

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DGR

NIACT.

DEPT PASS LONDON, PARIS, ANKARA, SENT DEPT SEC TO 22,
RPID INFO NIACT LONDON, PARIS, ANKARA, ATHENS.

Fol is proposed message from Pres to Pres of Turkey on assumption NATO Council acts favorably on admission Greece and Turkey to NATO as it is expected to do today or tomorrow. This message has been approved by the Secy, Gen Bradley, and Secy Pece. It shld be cleared with Secy Lovett prior to submission to Pres. Any comment by Embassies London, Paris, Ankara and Athens requested as matter of urgency. It is suggested Dept draft parallel tel to Prime Min, Greece, eliminating para 6 which includes reference to ME command and making other suitable rephrasing. It is hoped that approval of Pres can be obtained and tel held to be sent out immed after receipt of word from Ottawa that the Pres of the Council has formally notified Greece and Turkey of Council action. Message has been shown to both Brit and Fr. Brit are sending parallel message from Morrison to Turk PM, probably to be followed by message from Attlee to Turk Pres. French plan no (rpt no) such high level approach. UK plans send Slim to accompany Bradley. Fr will probably name corresponding representative. We must also in some way inform other NATO countries of dispatch of high-level mil reps before message goes. We are considering how best to do this and will advise when accomplished. These messages have been drafted in light of Ankara's 261 and 262 to the Dept, rptd Ottawa, which were most helpful.

"I wish to convey to you my deep personal gratification, as well as that of my govt, at the decision of the NAT Council mtg in Ottawa that, subject to ratification by their govt, they wd extend to Turkey an invitation to become a full member of the NATO. I am sure that you have by this time received from the Pres of the Council a formal notification of this action.

"I am particularly pleased with this decision because I know that it represents the fulfillment of a deep desire on the

part of

REPRODUCTION

~~SECRET~~

-2- #SECTO 22, September 19, 4 p.m., from Ottawa.

part of the Turkish Govt and Turkish people, and a recognition of the valiant efforts Turkey has made, in the post war period, to maintain her independence and integrity in the face of persistent threats and pressures. We have, as you know, long had the desire that Turkey be invited to accede to the NAT. We have had the firm conviction that Turkey can contribute greatly to the objectives of the treaty, which represents a milestone in the efforts of the Atlantic community to create a security system to protect their independence and their common ideals.

"Turkey will, I feel sure, benefit greatly from her membership in the Treaty Organization. As a signatory of the Treaty, Turkey will have the same rights and, of course, will assume the same responsibilities as other members. We are glad that the excellent cooperation between your country and ours, which has enabled us, since 1947, to assist in the building up of Turkey's econ and mil strength, can now be fitted into the larger framework of the NAT.

"It will take some time to meet the constitutional requirements for parliamentary ratification by the various govts, including our own, of the action taken by the Council before a formal invitation can be extended. I hope, however, that the time to achieve this can be reduced to a minimum.

"Turkey's accession to the Treaty Orgn will, of course, give rise to many practical problems with respect to participation in the Org and its various subsidiary bodies. Although no (rpt no) formal arrangements can be made until Turkey accedes to the treaty, I believe it would be desirable at an early date to have conversations of a purely preliminary nature between your govt and reps of some of the members of the NAT.

"There is, in addition, another very important question which it might be well to discuss in the same way. As we have advised you informally, preliminary discussions have been held between the US, UK and France with respect to the setting up of a NE command, which wld make it possible to organize, through a cooperative effort, the mil defense of that area as a whole. In the light of the important role Turkey has in the defense of the NE, we hope Turkey will participate as a founding member of such a command.

"If it wld

~~SECRET~~

~~SECRET~~

-3- #SECTO 22, September 19, 4 p.m., from Ottawa.

"If it wld be agreeable to Your Excellency, I wld be glad to send to Turkey as US rep for these talks our highest mil rep, Gen Omar Bradley, chairman of our JCS, who, perhaps accompanied by high Brit and Fr mil reps, old discuss these matters with you.

"I wish to assure you once again of our pleasure at the prospect of welcoming Turkey into full membership in the NATO to which we attach such great significance. We look forward to working with Turkey in this way to help build the bastions of the free world against the Comms menace which Turkey knows so well."

ACRESOM

PAF:RM

Note: Relayed to London, Paris, Ankara 9/19/51, 9:20 p.m. GC

~~SECRET~~

SECRET

②

OFFICE OF THE SECRETARY OF STATE
WASHINGTON 25, D.C.

DEPARTMENT OF STATE
WASHINGTON



C. F.

September 21, 1951

FILED BY
MR. HOPKINS

9-27-51

*North Atlantic
Treaty Organization*

*File
Confidential
& B.*

MEMORANDUM FOR MR. HOPKINS

THE WHITE HOUSE

There are attached for your information and files copies of telegrams containing the message from the President to President Beyer of Turkey, and Prime Minister Venizelos of Greece, regarding the invitation on behalf of the NATO Council for Greece and Turkey to become a full member of NATO. There is also attached a copy of the secret message from the President to President Beyer, regarding preliminary conversations with Turkey concerning the setting-up of a Middle East Command. These messages were approved by the President Thursday, September 20, during Acting Secretary Webb's appointment with him.

Attachments:

As stated.

[Signature]
J. McWilliams
Director, Executive Secretariat

x State Dept.

DECLASSIFIED

E.O. 12055, Sec. 3-402

State Dept. Guidelines, March 6, 1992

By HC NLT, Date 6-20-94

SECRET



OUTGOING
TELEGRAM

Department of State

FORWARDED BY COUNCIL
☐ QUARTER

P.M.

CONTROL

7217

SENT TO: Embassy, ATHENS 213 NYACT

25-D-X RPT ~~RECEIVED~~ Embassy, ATHENS 1402 NYACT

SEP-20-51

NEA

(FOR AMS)

info
SS
Q
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SISA
BUR
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OIL
FOR

You are requested to deliver in person the fol msg from PRES Truman
(FOR ATHENS: Pls deliver identical msg
to PRES Beyer as soon as possible; ~~to the Greek Government~~
~~to Venizelos substituting Greece for Turkey where appropriate~~)

QTS I wish to convey to you my deep personal gratification, as well
as that of my govt, at the decision of the NAT Council, mtg in Ottawa,
that subject to ratification by their govt's they will extend to TURK an
invitation to become a full member of the NATO. I am sure that you have
by this time recd from the PRES of the Council a formal notification of
this action.

QTS I am particularly pleased with this decision because I know that
it represents the fulfillment of a deep desire on the part of the TURK
govt and TURK people, and a recognition of the valiant efforts TURK has
made, in the post war period, to maintain her independence and integrity
in the face of persistent threats and pressures. We have, as you know,
long had the desire that TURK be invited to accede to the NAT. We have
had the firm conviction that TURK can contribute greatly to the objectives
of the Treaty, which represents a milestone in the efforts of the Atlantic
community

NEA:CMH:rcs

EUB:RA:CMH:rcs

Telegraphic transmission and
classification approved by

E. M. Martin

Classified by

DECLASSIFIED

REF - Col. Billings

E.O. 12065, Sec. 3-402

State Dept. Guidelines, March 6, 1992

By 41 - NRT 2001.12.14

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UNWARRANTED

~~SECRET~~

community to create a security system to protect their independence and their common ideals.

Q: TURK will, I feel sure, benefit greatly from her membership in the Treaty Organization. As a signatory of the Treaty, TURK will have the same rights and, of course, will assume the same responsibilities as other members. We are glad that the excellent cooperation between your country and ours, which has enabled us, since 1947, to exist in the building up of TURK'S soon and all strength, can now be fitted into the larger framework of the NAT.

Q: It will take some time to meet the constitutional requirements for parliamentary ratification by the various govts, including our own, of the action taken by the Council before a formal invitation can be extended. I hope, however, that the time to achieve this can be reduced to a minimum. ~~SECRET~~

Q: I wish to assure you once again of our pleasure at the prospect of welcoming TURK into full membership in the NATO to which we attach such great significance. We look forward to working with TURK in this org to help build the bastions of the free world against the defense against the Comco menace which Turkey knows so well. ~~SECRET~~

We assume TURK GOVT will wish make above msg public, which SEPT will welcome. Pls inform DEPT re TURK plans for release, so that appropriate steps ~~can~~ can be taken here.

In order that there may be no ~~misunderstanding~~ ~~misunderstanding~~ of steps required to effect formal invitation and accession of TURK to NATO, you are authorized,

in your

B

~~SECRET~~

in your discretion, to explain informally procedure outlined DEPT
CIRCULAR 247, Sept. 10. Resolution and Protocol PAREN particularly
revised Art VI of treaty PAREN have undergone certain modifications
in MAC MTO and therefore texts commented ref circular shld not,
rpt not, be transmitted to GR-TURK GOVTS.

~~XX~~

~~XX~~

WGB

(ACTING)



CONCLUSIONS

7.2.3.

CONCLUSION

7218

SENT TO: Embassy AMMAN RIAC 214

25-DY

Abstract

NTEA

Environ

22

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755

EUF

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011

DCR

FOR AMBASSADOR

In addition to PRES Truman's NOG to PRES Avar contained JUPTEL 213

20
DEPT _____, you are requested to deliver the FOL secret MSG from PRES Truman
to PRES Beyer, which ~~SHOULD~~ not RPT not be made public without prior clearance
with DEPT.

THE Turkey's accession to the Treaty OSG will give rise to many practical problems with respect to participation in the OSG and its various subsidiary bodies. Although no (NPT no) formal arrangements can be made until Turkey accedes to the Treaty, I believe it WED be desirable at an early date to have conversations of a purely preliminary nature between your GOVT and MEPS of some of the members of the NATL.

a closely related and

Q12 There is, in addition, ~~another~~/very important question which it might be well to discuss in the same way. As we have advised you informally, FREEDM discussions have been held between the US, UK and France with respect to the setting up of a NE Command, which WLD make it possible to organise, through a COOP effort, the MIL defense of that area as a whole. In the light of the important role Turkey has in the defense of the NE, we hope Turkey will participate as a founding member of such a Command.

QHE IF it WLD be agreeable to Your Excellency, I WLD be glad to send to Turkey as US REP for these talks our highest MIL REP, GEN Omar Bradley, Chair-

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11. www.irs.gov

~~WGA:GHI:CHL%000+1=1-9/20/21~~

W. M. Henderson

REF- Col. Bellows

FILE - Mr. Martin

四、

DECLASSIFIED
E.O. 12065, Sec. 3-402
Date of Declassification: 10/16/1992
State Dept. Guidelines, 1.2.4.6, 1.2.4.7
By AK NCI, E.O. 12065

~~SECRET~~ VERBATIM

man of our JCS, who, perhaps accompanied by high EMIT and FR MIL ADJUT, CIL
discuss these matters with you EMITE

Please inform EMIT as soon as messages delivered and PRES Rayer's reaction
thereto.

Please inform your EMIT colleagues of contents above messages. EMIT EMB
here has shown EMIT proposed MSG from Harrison to Koprula which EMIT EMB Ankara
undoubtedly will make available to you. Suggest you coordinate your respective
approaches to PRES Rayer and Koprula.



WESB

x Great Britain
x France

B

~~SECRET~~ VERBATIM

Saw President

Oct 3

11:45

G. F.

North Atlantic
Treaty Organization

September 27, 1951.

Filed
OCT 4 1951

MEMORANDUM FOR: MR. SHORT

Dear Joe:

In accordance with the attached request from the State Department, we have arranged for the Greek Ambassador to call on the President at 11:45 a.m., Wednesday, October 3rd.

You will note in the last paragraph of Mr. Simmons' memorandum to me that they would like to know when they should release the message to the President from the Prime Minister of Greece, the delivery of which is the purpose of the Ambassador's call.

I told Ray Blair in Protocol that I would turn this over to you, and he would hear from you shortly.

H. J. C.

RB/acm



64 3
1145

DEPARTMENT OF STATE
WASHINGTON

September 26, 1951

MEMORANDUM FOR MR. CONNELLY:

A request has been received from His Excellency Athanasios G. Politis, Ambassador of Greece, for an appointment with the President.

The Ambassador wishes to present in person Prime Minister Venizelos' reply to the President's message of congratulations to the Greek Government on being invited to join the North Atlantic Treaty Organization.

As you are aware, there exists between the Governments of the United States and Greece a very special relationship. Special attention and recognition by the President of the very genuine expression of Greek appreciation on being invited to the North Atlantic Treaty Organization is highly desirable and would be very much appreciated by the Greek people. It would provide another event in the long history of close and friendly relations between the two countries. For these reasons the Department strongly recommends that the Ambassador's request be granted if possible.

Would you be good enough to let me know whether it will be convenient for the President to receive the Ambassador and, if so, upon what date.

I am forwarding the text of the Prime Minister's reply and it is recommended that it be released to the press before the Ambassador calls on the President, if the appointment is granted. Please let me know the day and hour of the release in order that the Greek Embassy may be notified.

John P. Simmons
John P. Simmons
Chief of Protocol



Enclosures:
Message.

B E

Message to the President from the Prime Minister of Greece
in reply to the President's Message of September 20, 1951

The Greek Government and myself have been deeply moved by your message. The decision of the North Atlantic Council to invite Greece to accede to the Treaty, subject to the sanction of the Governments concerned, has been indeed greeted by the Greek people with profound contentment.

It is true that Greece, faithful to its traditions would, if confronted by an aggression, fight once more for its independence if necessary alone. But it is for us a great relief to know that we are to participate to a defensive organization to which belong so many countries animated by the same ideals of peace, justice and democracy and by the same determination to safeguard their independence. For we believe, more than ever in these troubled times, that no other policy than collective security can preserve humanity from the evils of war.

We do not and shall not forget that the United States under your Presidency, after having since 1947, by their moral and material support helped us to overcome Communist aggression and to begin to rehabilitate our country, have this time been the promoters of our admission to the North Atlantic Treaty.

Being conscious of the advantages as well as the obligations which shall result for us from our entry in this

community of free nations, we hope, that with the help of God our solidary effort will lead to a lasting peace of which our country is so much in need.

Sophocles Venizelos
Prime Minister of Greece



Saw President Oct 9, 1957
12.15



*North Atlantic
Treaty Organization*

John Simmons advised their Near Eastern Division felt it highly important the President accede to request of Turkish Ambassador to be received at early date. Has answers to two messages which President sent to the President of Turkey to deliver personally to the President; re admittance of Turkey as member of NATO

x

x

x State Dept



DEPARTMENT OF STATE
WASHINGTON

Oct 9
12, 15



October 4, 1951

MEMORANDUM FOR MR. CONNELLY:

His Excellency Feridun G. Erkin, Ambassador of the Turkish Republic, has requested an appointment with the President.

If the appointment is granted the Honorable George C. McGhee, Assistant Secretary of State for Near Eastern, South Asian and African Affairs, will accompany the Ambassador.

Please let me know whether it will be convenient for the President to receive the Ambassador and, if so, upon what date.


John F. Simmons
Chief of Protocol





O.T.

North Atlantic Treaty Organization

October 11, 1951

RECEIVED
OCT 11 1951
WILLIAM F. FASSETT

MEMORANDUM FOR MR. FASSETT:

With reference to your memorandum of October 10, I am returning herewith the two messages from the President of the Turkish Republic which the Turkish Ambassador left with the President on October 9.

It is the Department's opinion that no acknowledgment is necessary.

John F. Simmons
John F. Simmons
Chief of Protocol

Enclosures:
Messages.



* State Dept.
* Turkey

CONFIDENTIAL MESSAGE
from
PRESIDENT CELAL BAYAR
to
PRESIDENT TRUMAN

I fully concur with your view to hold conversations, of a preliminary nature, with respect to many practical problems which will arise with Turkey's accession to the North Atlantic Treaty Organization.

As you point out, these conversations will acquire an official character and will pave the way to final decisions only after Turkey's formal accession to the said Organization.

Since we have heretofore entertained the view that the defense of the Middle East from strategic as well as economic standpoints is of prime necessity for the preservation of the security of the free world, I, too, believe that it would be equally beneficial to take up as a topic of conversation of the same nature the question of organizing the Military defense of that area. In fact, the effective solution of this problem which presents multiple military and political aspects, can only be achieved through Turkey's active participation in the negotiations in this respect.

The fact that General Omar Bradley, Chairman of The Joint Chiefs of Staff, whom you contemplate to assign as United States representative to study all these matters with me and with the British and French representatives, holds various high responsibilities, makes me feel confident that the projected conversations will be carried out with full authority and in an atmosphere of most cordial understanding.

MESSAGE FROM

PRESIDENT CELAL BAYAR

TO

PRESIDENT TRUMAN

In reply to his message on the occasion
of the decision taken at Ottawa by the
NATO Council with regard to Turkey's an-
nouncement to the North Atlantic Treaty Or-
ganization.

I have been deeply moved by the message which you have been so kind as to send me on the occasion of the decision taken by the NATO Council at its meeting in Ottawa, to invite Turkey to become a full member of the Atlantic Pact, subject to ratification by the member countries.

In your message, which is a further manifestation of your feelings of true friendship toward the Turkish nation as well as those of the great American people who spare no sacrifice for the safeguard of human rights, you very kindly express your personal gratification as well as that of your Government at the Ottawa decision. I wish to express my heartfelt thanks for your kind sentiments.

This message which reflects your feelings that entirely correspond to our affection for, and our faith in your country, has been widely echoed in all parts of Turkey and will leave an indelible impression in our hearts.

The Government of the United States, which has already proved its understanding of and interest in the

common cause of security of the free nations by rendering aid to my country up to the present time, has made most effective efforts and has greatly contributed toward the admission of Turkey to the Atlantic Pact. I am happy to reiterate my sincere personal thanks as well as that of my Government in this instance.

You have made a most proper reference in your message to the unflinching will and determination of Turkey to maintain her independence and territorial integrity in the face of all pressure and threats. I would like to assure you again that my country will act in the future, as she has done in the past, with the same unshaken will and determination.

Turkey fully appreciates the great value of the cooperation between our two friendly countries which are wholeheartedly devoted to the policy of world peace and prosperity. I fully concur with your view that this cooperation will become closer and more fruitful within the wider framework of the Atlantic Pact, and share the pleasure you express at this prospect.

Furthermore, it is an added pleasure for me to affirm that Turkey will never fail to carry out the obligations that will devolve upon her within the Atlantic Pact community which she is about to join. I assure you that the Turkish Government is equally looking forward to cooperating with our great friend the United States of America within this Organization, toward the defense of the free world.



202-300-1111
Filed by
The Hopkins
2-4-52.

*North Atlantic Treaty
Organization*

28 JAN 1952

Dear Mr. President:

I refer to General Marshall's letter to you of 31 January 1951, in which your agreement to the designation of Admiral William M. Fechteler, United States Navy, as the Supreme Allied Commander Atlantic, was requested, and to your subsequent approval thereof on 2 February 1951. You are aware of the international factors which, unfortunately, prevented Admiral Fechteler's appointment.

The Joint Chiefs of Staff have recommended that Admiral Lynde D. McCormick, United States Navy, be designated Supreme Allied Commander Atlantic. Secretary Acheson and I concur in Admiral McCormick's designation and request your agreement. This request to designate Admiral McCormick in lieu of Admiral Fechteler arises by virtue of their changes of duty assignments with which you are familiar.

The North Atlantic Treaty Organization is now in agreement as to the appointment of the SACLANT and has requested the United States to designate an officer to fill the position. If you approve of this appointment, the necessary affirmation by the North Atlantic Treaty Organization will be secured in the general manner previously agreed. In making the appointment it is recommended that a letter of designation similar to that intended for Admiral Fechteler be addressed to Admiral McCormick.

Respectfully yours,

ROBERT A. LOVETT

The President

The White House

DECLASSIFIED
E.O. 12065, Enc. 3-102
State Dept. Guidebook, March 5, 1982
By AKC JST, 1000-6-20-89

CONFIDENTIAL

66 North Atlantic Treaty Organization
SACLANT

January 29, 1952

My dear Admiral McCormick:

The North Atlantic Treaty Nations have agreed that a Supreme Allied Commander, Atlantic, should now be appointed and have requested that I designate a United States officer. I have designated you for this new international command which embraces a large area under the North Atlantic Treaty Organization.

I am informed that the Standing Group of the North Atlantic Treaty Organization will issue a directive to you concerning your responsibilities and authority as the Supreme Allied Commander, Atlantic.

XW.C.

You are hereby assigned operational command, of the United States Armed Forces assigned to the U. S. Atlantic Command, to the extent necessary for the accomplishment of your mission.

You are hereby authorized to use officers and enlisted personnel of the U. S. Armed Forces and civilian employees of the U. S. Government, on your staff as you consider appropriate in numbers and grades as necessary.

X285

I am sending copies of this letter to the Secretary of State and to the Secretary of Defense for their guidance.

X1285
X20

Sincerely yours,

/s/ HARRY S. TRUMAN



Admiral Lynde D. McCormick, XW.C.
United States Navy,
Washington, D. C.

X1285-6

x66 North Atlantic Treaty Organization
x66 North Atlantic Treaty

THE SECRETARY OF DEFENSE

66 North Atlantic Treaty Organization
Shaper
7
4-29-52

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Appointment of General Ridgway as Supreme Allied Commander Europe

The Departments of State and Defense suggest for your approval the following procedure in connection with the appointment of General Ridgway as SACSEUR: *x n.c.*

1. The North Atlantic Council on Monday, April 29, will pass a resolution accepting with regret General Eisenhower's withdrawal and requesting that you propose a U. S. officer to succeed him. (Tab A)

2. Upon passage of the resolution referred to above it is proposed that the U. S. Representative on the Council will communicate your message to the Council nominating General Ridgway as SACSEUR. A proposed message to the Council is attached. (Tab B) Additionally the U. S. Representative will notify the Council that General Gruenther will be available to continue to serve as Chief of Staff. A proposed message to the U. S. Representative on this point is attached. (Tab C)

3. Upon receipt of your message the NAC will appoint General Ridgway by unanimous resolution. The draft text is attached. (Tab D)

Upon notification of the final action of the NAC in appointing General Ridgway press releases will be issued simultaneously from the White House and Paris. A proposed White House press release is attached. (Tab E)

A proposed message to General Ridgway notifying him of his appointment as SACSEUR and his successor's appointment in the Far East is attached. (Tab F)

Also attached is the text of a press release, incorporating your message to General Ridgway. (Tab G) It is suggested that this release be issued from the White House at the same time as the release of Tab B.

Brown
for the
Secretary of State

x20

Arthur H. ...
Secretary of Defense

x1285

x66 North Atlantic Treaty Organization

B

COUNCIL RESOLUTION REQUESTING NOMINATION

1. The North Atlantic Council,

Having noted with regret a communication from the United States Secretary of State to the Chairman of the North Atlantic Council in which it is stated that General of the Army Dwight D. Eisenhower has requested the Government of the United States to initiate appropriate action to secure his release from assignment as Supreme Allied Commander Europe, and,

Having further noted that the President of the United States has agreed to withdraw his designation of General Eisenhower as Supreme Allied Commander Europe which was made pursuant to the request of the North Atlantic Council;

Accepts with great regret the necessity of the release of General Eisenhower on approximately June 1, 1952 from assignment as Supreme Allied Commander Europe;

Recognize that General Eisenhower has fully discharged the trust reposed in him by the North Atlantic Council when, in December 1950 the Council appointed him Supreme Allied Commander Europe;

Expresses to General Eisenhower, in the name of the governments represented on the Council, lasting gratitude for the distinguished service by him;

Unanimously requests the President of the United States to nominate an officer of the Armed Forces of the United States for appointment by the council as Supreme Allied Commander Europe to succeed General Eisenhower.

PROPOSED MESSAGE FROM THE PRESIDENT
TO THE NORTH ATLANTIC COUNCIL

Pursuant to the request of the North Atlantic Council that I
nominate an officer of the Armed Forces of the United States for
appointment by the North Atlantic Council as SACEUR to succeed General
of the Army Dwight D. Eisenhower I hereby nominate General Matthew B.
Ridgway. I feel that General Ridgway is particularly well qualified
to perform the duties of Supreme Commander. His service in the European
theater in World War II and his leadership of the United Nations forces
in Korea have been outstanding. His recent experience as Commander-in-
Chief of the United Nations Command for Korea and as Supreme Commander
Allied Powers in Japan have given him a broad background of inter-
national military responsibilities. General Ridgway brings exceptional
knowledge of present-day combat, and of modern training needs and train-
ing methods to the common task of preparing our collective forces for
the defense of Europe.

I have every confidence that General Ridgway can make an outstanding
contribution to our common defense efforts.

rs of
S. TRUMAN
SIAL FILE

PROPOSED MESSAGE FROM THE PRESIDENT TO AMBASSADOR DRAFER, U. S.
PERMANENT REPRESENTATIVE TO NATO

Directly following your communicating to the North Atlantic
Council ~~at~~ my message nominating General Ridgway you should orally
advise the Council that, in the event the Council appoints General
and in accordance with General Ridgway's desire,
Ridgway, ^AI will continue to make General Gruenther available as
Chief of Staff to SACMUR. ~~General Ridgway concurs in this assignment.~~

PROPOSED COUNCIL RESOLUTION APPOINTING GENERAL RIDGWAY

The North Atlantic Council:

Having requested the President of the United States to nominate an officer of the United States to fill the position of Supreme Allied Commander Europe, and the President of the United States ^{Matthew B.} having nominated General Ridgway the Council declares that it reposes the greatest faith in General Ridgway and appoints him successor to General of the Army Dwight D. Eisenhower as Supreme Allied Commander Europe with the powers and functions specified in MC 22/12 final.

DRAFT OF WHITE HOUSE PRESS RELEASE:

General Matthew B. Ridgway has been appointed Supreme Allied Commander Europe to replace General of the Army Dwight D. Eisenhower. This appointment was made by the North Atlantic Council meeting in Paris. General Ridgway was nominated for this position by me in response to the unanimous request of the Council, that I nominate an American officer for the post. General Ridgway's appointment and General Eisenhower's release as Supreme Allied Commander Europe will become effective approximately June 1, 1952.

I feel that General Ridgway is particularly well-qualified to perform the duties of Supreme Commander. His service in the European theater in World War II and his leadership of the United Nations forces in Korea have been outstanding. His recent experience as Commander-in-Chief of the United Nations Command for Korea and as Supreme Commander Allied Powers in Japan have given him a broad background of international military responsibilities. General Ridgway brings exceptional knowledge of present-day combat, and of modern training needs and training methods to the common task of preparing our collective forces for the defense of Europe.

I have every confidence that General Ridgway will make an outstanding contribution to our common defense efforts.

In accordance with General Ridgway's desires, I am continuing to make General Gruenther available as Chief of Staff to SACEUR. General Gruenther has outstanding experience and abilities. He is thoroughly

conversant in North Atlantic Treaty affairs and is well known to all of the NATO commanders.)

(General Gruenther affords a continuity of staff leadership and planning to Supreme Headquarters that is especially valuable at this time.) I have every confidence that Generals Ridgway and Gruenther will make an outstanding team for our common defense effort.

~~DRAFT OF WHITE HOUSE PRESS RELEASE.~~

~~The President today announced that the Permanent Council of the North Atlantic Treaty Organization meeting in Paris had appointed General Matthew B. Ridgway Supreme Allied Commander Europe replacing General of the Army Dwight D. Eisenhower after accepting General Eisenhower's resignation from the post effective June 1st.~~

~~The Permanent Council unanimously requested that an American officer be made available. In transacting the nomination of General Ridgway to the Council for consideration,~~

I feel that General ~~Matthew B.~~ Ridgway is particularly well-qualified to perform the duties of Supreme Commander. His service in the European theater in World War II and his leadership of the United Nations forces in Korea have been outstanding. His recent experience as Commander-in-Chief of the United Nations Command for Korea and as Supreme Commander Allied Powers in Japan have given him a broad background of international military responsibilities. General Ridgway brings exceptional knowledge of present-day combat, and of modern training needs and training methods to the common task of preparing our collective forces for the defense of Europe.

I have every confidence that General Ridgway ^{will} make an outstanding contribution to our common defense efforts.

~~The President informed the Council that,~~ On accordance with
General Ridgway's desires, ^{I am} ~~was~~ continuing to make General Gruenther
available as Chief of Staff to SACEUR. ~~no SI~~

~~General Gruenther is~~ ^{has} continuing to make General Gruenther
available for this post because of his outstanding experience and abilities.
~~and that~~ ^{NORTH ATLANTIC TREATY} he is thoroughly conversant in ~~European~~ ^{is} affairs and well-
^{NATO} known to all of the ~~North Atlantic Treaty Organization~~ commanders.

~~The President said: "In continuing to serve as Chief of Staff,~~
^{SI} General Gruenther affords a continuity of staff leadership and planning
to Supreme Headquarters that is especially valuable at this time. I have
every confidence that Generals Ridgway and Gruenther will make an out-
standing team for our common defense effort."

I am appointing General Mark W. Clark to succeed General Matthew B. Ridgway as Commander-in-Chief of the UN Command for Korea and as Commander in Chief of the Far East Command of the U. S. Armed Forces.

In making this appointment, I want to emphasize that General Clark will continue the policies which have been so ably carried out by General Ridgway with regard to the United Nations action in Korea, including, if possible, the achievement of an honorable armistice.

-

For Release

(3)

Apr. 28, 1952

The text of the President's message to General Ridgway follows:

John ("The North Atlantic Council has requested that I nominate an American officer for appointment by the Council as Supreme Allied Commander, Europe, to succeed General Eisenhower. I have nominated you for that position and the Council has appointed you.

"You have my highest personal esteem and best wishes as you assume this great responsibility. I know that all our people will be fully and warmly behind you as will all freedom loving people the world over.

"I am appointing General Mark W. Clark as your successor."

- - - - -

F

PROPOSED DISPATCH TO GENERAL RIDGWAY

The North Atlantic Council ~~has accepted the necessity of the~~
~~release of General Eisenhower as Supreme Allied Commander, Europe.~~
~~The Council~~ has requested that I nominate an American officer
for appointment by the Council as Supreme Allied Commander, Europe, to
succeed General Eisenhower. I have nominated you for that position and
the Council has appointed you.

You have my highest personal esteem and best wishes as you assume
this great responsibility. I know that all our people will be fully
and warmly behind you as will all freedom loving people the world over.

I am appointing General Mark W. Clark as your successor.

IMMEDIATE RELEASE

April 28, 1952

STATEMENT BY THE PRESIDENT

General Matthew B. Ridgway has been appointed Supreme Allied Commander Europe to replace General of the Army Dwight D. Eisenhower. This appointment was made by the North Atlantic Council meeting in Paris. General Ridgway was nominated for this position by me in response to the unanimous request of the Council that I nominate an American officer for the post. General Ridgway's appointment and General Eisenhower's release as Supreme Allied Commander Europe will become effective approximately June 1, 1952.

I feel that General Ridgway is particularly well-qualified to perform the duties of Supreme Commander. His service in the European theater in World War II and his leadership of the United Nations forces in Korea have been outstanding. His recent experience as Commander-in-Chief of the United Nations Command for Korea and as Supreme Commander Allied Powers in Japan have given him a broad background of international military responsibilities. General Ridgway brings exceptional knowledge of present-day combat, and of modern training needs and training methods to the common task of preparing our collective forces for the defense of Europe.

I have every confidence that General Ridgway will make an outstanding contribution to our common defense efforts.

In accordance with General Ridgway's desires, I am continuing to make General Alfred M. Gruenther available as Chief of Staff to SACEUR. General Gruenther has outstanding experience and abilities. He is thoroughly conversant in North Atlantic Treaty affairs and is well known to all of the NATO commanders. General Gruenther affords a continuity of staff leadership and planning to Supreme Headquarters that is especially valuable at this time.

I have every confidence that Generals Ridgway and Gruenther will make an outstanding team for our common defense effort.

OVER

- 2 -

IMMEDIATE RELEASE

APRIL 28, 1952

STATEMENT BY THE PRESIDENT

I am appointing General Mark W. Clark to succeed General Matthew B. Ridgway as Commander-in-Chief of the UN Command for Korea and as Commander in Chief of the Far East Command of the U. S. Armed Forces.

In making this appointment, I want to emphasize that General Clark will continue the policies which have been so ably carried out by General Ridgway with regard to the United Nations action in Korea, including, if possible, the achievement of an honorable armistice.

IMMEDIATE RELEASE

APRIL 28, 1952

The text of the President's message to General Ridgway follows:

"The North Atlantic Council has requested that I nominate an American officer for appointment by the Council as Supreme Allied Commander, Europe, to succeed General Eisenhower. I have nominated you for that position and the Council has appointed you.

"You have my highest personal esteem and best wishes as you assume this great responsibility. I know that all our people will be fully and warmly behind you as will all freedom loving people the world over.

"I am appointing General Mark W. Clark as your successor."

x 483

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~~RESTRICTED~~
~~CONFIDENTIAL~~
ASSISTANT SECRETARY OF STATE
WASHINGTON

April 28, 1952

MEMORANDUM FOR MR. SHORT, WHITE HOUSE:

Attached are two copies of the Resolution ~~x~~
passed by the North Atlantic Council today. We have
found one change from the text which we previously
had. I have underlined that change in both copies.
It is simply the addition of the words "as requested
by him" at the end of the third paragraph.


George W. Perkins

DECLASSIFIED
Authority E.O. 10501

~~RESTRICTED~~
~~CONFIDENTIAL~~

R

~~RESTRICTED~~

~~RESTRICTED INFORMATION~~

DEPARTMENT OF THE ARMY
STAFF COMMUNICATIONS OFFICE

UPGRADED AT 3 YEAR INT
DECLASSIFIED AFTER 12 YR
DOD DIR 5200.10 NARS-INT

MESSAGE

RESTRICTED
PRIORITY

PARAPHRASE NOT REQUIRED

FROM: SRE PARIS FRANCE SGD DRAPER
TO: THE SECTY OF DEFENSE WASH DC FOR THE PRESIDENT
OF THE UNITED STATES
INFO: SECRETARY OF STATE WASH DC
DTG: 281120Z 281120Z APR 52

Following resolution requesting nomination of an
American officer as successor to SACEUR passed by North
Atlantic Council today.

To The President of The United States of America.
The North Atlantic Council,

Having noted with regret a communication from the
United States Secretary of State to the Chairman of the North
Atlantic Council in which it is stated that General of the
Army Dwight D. Eisenhower has requested the Government of
the United States to initiate appropriate action to secure
his release from assignment as Supreme Allied Commander
Europe, and

Having further noted that the President of the
United States has agreed to withdraw his designation of
General Eisenhower as Supreme Allied Commander Europe which
was made pursuant to the request of the North Atlantic Council;

Accepts with great regret the necessity for the release
of General Eisenhower on approximately June 1st 1952 from
assignment as Supreme Allied Commander Europe as requested
by him;

Recognizes that General Eisenhower has fully discharged
the trust reposed in him by the North Atlantic Council when,
in December 1950, the Council appointed him Supreme Allied
Commander Europe;

Expresses to General Eisenhower in the name of
the Governments represented on the Council, lasting gratitude
for the distinguished service rendered by him;

OA IN 132716

[28 Apr 52]

~~RESTRICTED~~

B

MESSAGE

~~RESTRICTED~~
~~SECURITY INFORMATION~~
DEPARTMENT OF THE ARMY
STAFF COMMUNICATIONS OFFICE

DTG: 281120Z

PAGE 2

Unanimously requests the President of the United States of America to nominate an officer of the armed forces of the United States of America for appointment by the North Atlantic Council as Supreme Allied Commander Europe to succeed General Eisenhower.

DOWNGRADED AT 3 YEAR INTERVALS
DECLASSIFIED AFTER 12 YEARS
DOD DIR 5100.10 NARS-NT

ACTION: OSD

INFO : SDLO

DA IN 132716

(28 Apr 52)

nes/10

MAY 1 1952

April 28, 1952

*File
Original to
President
5/1/52*

My dear Mr. President:

I have the honor to report completion of the formal action by the North Atlantic Council in appointing General Matthew B. Ridgway as successor to General of the Army Dwight D. Eisenhower as Supreme Allied Commander, Europe, upon the nomination of General Ridgway by you in response to the Council's request. Attached are the formal documents which confirmed this action.

Your personal instructions conveyed to me by Secretary of Defense Lovett of 15 April 1952 and subsequently on 27 April 1952, were in every respect complied with. I discussed all steps of our procedure personally with General Eisenhower and am confident that he was in full agreement at all times with the measures we were taking.

Sincerely yours,

William M. Draper, Jr.
U.S. Special Representative in Europe
and U.S. Permanent Representative to the
North Atlantic Council

x3296

Enclosures

Formal NATO document requesting President to nominate.
Resolution of appointment signed by 14 nations.

The President,

The White House.

N A T O

NORTH ATLANTIC COUNCIL

CONSEIL DE L'ATLANTIQUE NORD

DECLASSIFIED

Authority E.O. 10501

ORIGINAL: English
29th April, 1952

~~CONFIDENTIAL~~
DOCUMENT
C-H(52) 4 (Final)

R E S O L U T I O N

APPROVING THE APPOINTMENT OF GENERAL RIDGWAY AS SUCCESSOR
TO GENERAL EISENHOWER AS SUPREME ALLIED COMMANDER EUROPE

(Adopted by the North Atlantic Council on 28th April, 1952)

THE NORTH ATLANTIC COUNCIL having requested the President of the United States to nominate an Officer of the United States to fill the position of Supreme Allied Commander Europe and the President of the United States having nominated General Matthew B. Ridgway, THE COUNCIL,

DECLARES that it reposes the greatest faith in General Matthew B. Ridgway, and
APPOINTS him successor to General of the Army Dwight D. Eisenhower as Supreme Allied Commander Europe with the powers and functions specified in CG-9/D/20, Annex B.

Palais de Chaillot,
Paris, XIVe.

DRAFT STATEMENT FOR PRESIDENT TRUMAN ON THE
BAND ANNIVERSARY CELEBRATION

Looking back to the day three years ago when we signed the North Atlantic Treaty, one thing impresses me above all others. The Treaty represents a mighty effort by the free peoples of the Western world to build a lasting peace.

all of the peoples of the Atlantic Community want a great deal more than peace. We want to keep our freedom, whatever the cost may be. We want to maintain our religious and moral values. We want a greater production and a fairer distribution of the good things of life. We want justice and opportunity for all men, regardless of class, creed or color. We want to live with hope and without fear.

But in the long run, peace is the essential condition of all these things. War endangers freedom, undermines morality, destroys wealth, restricts opportunity, and holds back social progress. All of our peoples will fight, as we have fought in the past, if our survival and our way of life are threatened. But we know that war never solves our basic problems, and that even the most victorious war often leaves bleeding sores that fester for years thereafter.

The people of the North Atlantic area want peace. We don't want to win another war; we want to prevent it. To me, that is the supreme goal of the North Atlantic Treaty.

History has taught us a lot about the way to get peace, and especially about the way not to get peace. Our most important lesson is that we can't find peace just by sitting around and hoping that a war doesn't happen.

We have to

We have to go out and work for peace.

The search for peace isn't easy and it isn't cheap. It costs money and sometimes it costs lives. Even at worst, this search is a lot cheaper and easier than total war. But it's still a long, hard job. Peace has to be waged, with the same brains and determination needed for waging war.

Another thing we have all learned is that no country can expect peace if it decides to look after itself and forget about its neighbors. In the past, more than one of us have tried to find peace through neutrality and isolation. It didn't work. It never will work. Some people can try to blind themselves to this fact, but it doesn't do any good. If any country sits back and watches its neighbors being gobbled up and swallowed, it might as well get ready to start sprinkling the pepper and salt on itself.

A final thing we have learned is that we can't achieve peace unless we are strong. The Bible tells us that no one can break into a strong man's house and steal his goods unless he first binds the strong man. Well, that's just as true today as it was two thousand years ago. If we want to have peace, we have to build up our strength. We have to have strong armies, strong economies, strong governments, and strong hearts.

The peoples of the North Atlantic Treaty Organization have learned these lessons. We have forsaken isolation and have banded together in a common cause. We have begun and carried forward the task of building our individual and collective strength. And we have knuckled down to do the hard work and to accept the painful sacrifices that this job requires.

NATO is seeking peace -- peace for this generation and peace for our children.

Our main immediate objective is to build up the military forces of the NATO countries to a point where we can be reasonably sure that we can defend ourselves successfully against any attack. There is no such thing, of course, as absolute security against war. But a reasonable degree of security can be achieved, and can be achieved within the near future, if each of the NATO countries continues to do its part. In fact, the program now under way should give us a substantial defense force by the end of this year.

This is not an easy job. It demands the full participation of every NATO country. The people of the United States have carried a heavy load in this common effort toward peace and security. Some of our partners have found it necessary to endure even greater sacrifices. But we never expected the job to be easy. Peace and security just can't be bought at a fire-sale.

We still have a long road to travel. But at least we know that we're on the right road. And I am confident that we are going to stay on this road until we have reached our destination.

The destination I have in mind is a sufficient degree of security to permit all our peoples to turn their minds and hands to other purposes. We have only begun to realize the full possibilities of democratic society and of peaceful international cooperation. When we have attained the strength needed to shield our way of life, we will be free to devote a

larger share of our energies to the creation of a still better way of life. We want a world in which individuals as well as nations can be secure and prosperous and can live with their neighbors in freedom and confidence.

I do not mean to say that the job of building peace will be completed in a year, in five years, or ten. Peace and security are not things that can be achieved at a stroke and then placed in cold storage. Once we have gained the strength we need, we must maintain it. And we must also continue to work to relieve world tensions and wipe out the causes of these tensions.

When we have completed our present military build-up we will be able to accomplish more with less effort. But we will not be able to go to sleep. Every home-owner knows that his house must be kept in good repair or it will fall apart. In the same way, the preservation of our structure of peace is a life-time job.

But however long and hard we must work, let's always remember that wars are not acts of God. They are made by men. And with the help of God, peace can also be made by men. I hope and believe that April 4, 1949 will always be remembered as the date when the peoples of the North Atlantic Community joined together to prove that the ingenuity and the spirit of freedom are equal to the task of building and maintaining an enduring peace.



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

WASHINGTON

May 10, 1950

~~SECRET~~SUMMARY OF TELEGRAMSUS-UK

In discussions yesterday in London between UK Foreign Minister Bevin and Secretary Acheson, Bevin stated his belief that the issue between Soviet philosophy and western civilization must come to a head in a few years but said that he did not know whether an estimate of three or four years was the right guess as to time. Bevin was disturbed at the thought that the Soviets might develop two big civil wars, one starting from Eastern Germany and one in Southeast Asia. He agreed that we must strengthen the North Atlantic Treaty Organization and build our military defenses, but indicated that these efforts must be based on economies that would carry the weight without jeopardizing the standard of living.

Bevin stated that the UK has a dual approach to the problem of organization each one helping the other: 1) to organize Europe as efficiently as possible; and 2) to develop cooperative effort "under the Atlantic Community umbrella". He emphasized the limits which the UK economic and financial situation places on the UK's ability to build her defenses and contribute to the solution of the problems of Southeast Asia and stressed the need for US and Commonwealth help along these lines. Referring to Germany, Bevin agreed that German membership in the Council of Europe would go a long way to facilitate reuniting Europe.

The Secretary then said that it was important to make a start on defense and that the US, recognizing the necessity for a broader economic base in order to support the increased defense effort, realizes that its interest in Europe does not stop in 1952. He stressed, however, the importance of Europe taking action to strengthen its own economic system. He stated that the two

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E.O. 12065, Sec. 3-402

State Dept. Guidelines, March 6, 1982

By DEB JN 5-14-88~~SECRET~~

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essential factors for Germany were security and an ability to earn its own living. The two consultants were in agreement on the gravity of the problem of Southeast Asia.

Bevin turned to the colonial question and voiced his concern, hoping the US would review its position in light of developments in the UK colonial policy. Discussing China policy, he emphasized the importance of preventing present differences from developing into an open split prejudicing cooperation elsewhere and expressed strong doubts as to the value of the present UK position which, however, was not reversible.



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

WASHINGTON

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E.O. 12065, Sec. 7.402

May 15, 1950

State Dept. Guidelines, March 6, 1982

By DEB NLT, Date 5-14-82 ~~TOP SECRET~~SUMMARY OF TELEGRAMS

LONDON MEETINGS In a summary report on the tripartite meetings in London, Secretary Acheson states that in general, while the results of the conference are not spectacular from the press point of view, he feels that both in his talks and in the preparatory talks progress has been made especially with respect to arriving at a better understanding of fundamental questions confronting us. He believes that this understanding will pave the way for improved co-operation and more effective concerted action in the future.

In discussions of the British position in the world and our relationship with the British, the following UK preoccupations emerged: 1) their emphasis on Labor's domestic program and UK viability by 1952; 2) their desire for a "special relationship" with the US; 3) their desire to maintain their Commonwealth and sterling area or world position as distinguished from the role of a European power; 4) their resulting emphasis on developing the North Atlantic Treaty Organization as an Atlantic community umbrella as distinguished from the French theory of developing strictly European organizations such as OEEC; and 5) their concern over divergencies of US-UK policy as illustrated by China and colonial matters.

Indochina was the main subject discussed in detail in Paris with French Foreign Minister Schuman and on balance the Secretary feels that these talks were successful. In London, agreement was reached by all three Foreign Ministers on the assessment of the situation and on our common objectives in Southeast Asia. There was also tripartite agreement to take certain common measures to suppress gun-running into Indochina and to cooperate on our information policies and activities in the area. Schuman informed the Secretary on a top secret basis that with the attainment of security in Indochina, the French would re-examine the situation and did not consider that the March 8 agreements were "the last word".

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DEPARTMENT OF STATE
OFFICE OF THE SECRETARY
WASHINGTON

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E.O. 12065, Sec. 3-402

State Dept. Guidelines, March 6, 1982

By DEF NL7, Date 1-5-85

July 31, 1950

~~TOP SECRET~~

SUMMARY OF TELEGRAMS

FRANCE

Ambassador Bruce in Paris has submitted a lengthy summary of the tentative thinking of top French officials on the problem of building an adequate defense system for western Europe. The proposal of French Premier Plevin to establish a common fund under the North Atlantic Treaty Organization to be made up of national contributions based on national income is a reflection of wide acceptance within the French Government that NATO should be expanded into a real collective defense effort with central direction adequate for action rather than merely a program to step up national efforts with coordinated planning. In general the French are of the opinion that the NAT and MDAP have given little, if any, guidance on what military production each country should undertake, on the amount and kind of rearmament for the existing and additional forces of each country, or on the general concept of interdependent, effective, modern striking forces. Among suggestions being considered by the French to meet this problem are 1) that a single American or a small civilian committee headed by an American, be given practically dictatorial powers on rearmament and military production; and 2) that NAT nations contribute all of present military budgets, except for "police forces", to a common budget and that a central NAT committee should direct all expenditures from these common funds. Some of the arguments which French officials make for such drastic changes in procedure are the inadequacy and the inefficiency of the "national" approach; the threat of a "galloping inflation" in France which would lead to a resurgence of Communist strength and render France useless and powerless in a war with the USSR; the need to spread the inflationary impact of the total military effort on an equitable basis among all NAT countries; the possible use of Germans in an Atlantic community or a European army; the need to dispel the defeatism of the French people who see no hope in a purely French defensive effort; and the necessity to avoid playing the "game of the USSR" which is to try to force the NAT nations into placing their economies into real "strait-jackets" which would reduce the net addition to the standard of living and to the military strength that could otherwise be obtained.

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KASHMIR

Ambassador Henderson in New Delhi has received through a reliable Indian governmental source an account of the recent conversations between UN Mediator Dixon, Prime Minister Liaquat of Pakistan and Prime Minister Nehru of India. After it had become clear that it was impossible to find a formula which would assure a general plebiscite, Dixon advanced the idea of partial partition plus a plebiscite in Vale; providing in general for each country to retain what it now controls of Kashmir subject to certain possible minor frontier adjustments and for a plebiscite in Vale of Kashmir. Liaquat was violently opposed to this suggestion and Nehru felt compelled at that stage to act as though he was not enamoured with it. Henderson's informant stated that the Indian cabinet believed that the only solution was partition-plebiscite idea advanced by Dixon and believed that if Pakistan accepts this solution, India should be extremely liberal in making concessions on demilitarization and UN control in Vale during course of plebiscite, even though it was confident that plebiscite under such conditions would yield Vale to Pakistan. Nehru reluctantly agreed to go along with the Cabinet, but felt he should continue to treat Dixon's suggestion with reserve as a matter of tactics. Henderson's informant, who was sent to him by one of the most powerful political figures in India, expressed the view of several prominent Indian leaders that anything the US could discreetly do to condition Pakistan for accepting the partition-plebiscite solution would be in the interest of stability in South Asia.

INCOMING TELEGRAM

Department of State

TELEGRAPH BRANCH

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Action

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Info

DCR

Control: 9145

Ref: May 19, 1950

5:11 p.w.

FROM: London

RE: Secretary of State

SUB: ACTEL 15, May 19, 9 p.m.

NIACT.

FOR WHEB FROM ACHESON.

As you will have seen from our daily reports the significance of the recent meetings was not that they recorded a finished achievement but rather that they were a second step along a most difficult and hard road. After a year of planning and organizing the NAT countries recorded a willingness to take coats off and go to work on creating speedily balanced collective forces and the economic base to support them. Whether these recent meetings amount to anything will depend on whether the countries translate resolutions into action. Most importantly it will depend on whether we do, in particular or whether out of NSC 68 and Gordon Gray's work come drastic and vigorous action. It is from this point of view that I have thought about the dramatic report to the Congress suggested your TELAC 18.

If President and his advisors thinking of report to both houses as step in direction NSC 68 and as beginning an administration-wide program which will put life and vigor into the decisions of the recent meetings I would consider such a report very useful. If, however, purpose merely to report on events of meeting I am inclined against it for fear of over-playing results.

I am of course entirely in President's hands and will do anything he wishes.

In event decision in favor of report, suggest no comment be made on off-record portion until I see how draft of formal report shapes up.

ACHESON

MC:LQB

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E.O. 12958, SEC. III

STATE GUIDANCE 642-79

DATE 11-11-20 BY 11177

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-2-, ACTEL 13, May 18, Midnight, from London

has also in this connection emphasized importance of "constant review of military plans and of force and equipment requirements therefor in the light of most modern weapons and equipment which are agreed upon as standard and capable of being produced in volume".

3. It has noted with approval a request from the Defense Committee to the Defense Financial and Economic Committee that the latter "undertake immediately, concurrently with planning by military and production planning agencies, an examination of the financial and economic potentialities of the treaty nations to support military expenditures for the defense of the North Atlantic area". It has directed the committee in making this examination to "recognize the need to increase, as a matter of urgency, collective military security against the threat of Soviet military aggression". While recognizing that sound economy is necessary to require defense, Council has pointed out that decisions as to making of additional military expenditures should be made "not only in light of economic and financial conditions but also in light of needs for defense".

4. Council has recognized importance of self-help and mutual aid, contributions which have been made in this field in past, and recommended "that each party make its full contribution through mutual assistance in all forms to achieve the integrated strength necessary for North Atlantic area".

5. Council has adopted resolution for strengthening its central organization, in which it agrees that it will undertake as matters of high importance following tasks:

A. Study inter-relationship of various programs to support plans for defense of North Atlantic area and ensure coordination of work of Defense Committee, Defense Financial and Economic Committee, and all other bodies established under North Atlantic treaty organization;

B. Recommend to governments the steps necessary to ensure that effect is given to coordinated plans prepared for defense of North Atlantic area;

C. Exchange

-3-, ACTEL 13, May 18, Midnight, from London

C. Exchange views on political matters of common interest within scope of treaty;

D. Promote and coordinate public information in furtherance of objectives of treaty while leaving responsibility for national programs to each country;

E. Consider what further action should be taken under article two of treaty, taking into account work of existing agencies in this field".

6. To assist Council in performing these additional tasks, it has been agreed that each government will appoint a deputy to its Council representative who shall be in position to give whatever time may be necessary to his duties. These deputies shall select permanent chairmen from among their membership under whose leadership they shall establish suitable full time organization of "highly qualified persons contributed by member governments". It has been agreed that this organization should be set up with least possible delay. It has been agreed that deputies will have their headquarters in London where number of NAT committees are located, close to majority of member governments and to once with most serious problems in increasing their strength.

7. On initiative of the French Government, Council has adopted resolution to guide this strengthened machinery. This resolution sets forth general principles of particular interest to European members of NAT. The substance of the French proposals after redrafting seemed sound to USDEL, and after being put in more appropriate form for Council action they have been unanimously accepted. Four general principles are:

"A. The maintenance by parties to treaty, in accordance with agreed North Atlantic Treaty organization plans, of forces, available for combat operations, adequate to resist initial attack;

B. Type and composition of forces to resist an initial attack to be adapted to agreed North Atlantic Treaty organization military plans based on exploitation of latest developments and military technology in order to obtain maximum efficiency in collective defense of North Atlantic area.

C. Standardization

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-4-, ACTEL 13, May 18, Midnight, from London

C. Standardization to maximum extent practicable and use of most up-to-date materiel and equipment capable of being produced in volume;

D. "Mutual provision within framework of collective defense of necessary services and material facilities for logistic support of collective military forces".

In addition resolution lists five issues on which early decisions are required to implement defense plans. The responsible NAT agencies are asked for advice and recommendations as matter of urgency on problems raised by these principals and issues.

8. The Council has adopted without discussion terms of reference for ocean shipping planning board which had been previously negotiated in Washington with full concurrence of representatives of National Resources Security Board, Maritime Commission and Defense Department. This seemed essential since both military operations and maintenance of the civilian economies of NAT powers are heavily dependent upon adequate merchant shipping.

I shall look forward upon my return to an opportunity to supplement this interim report with whatever further details I can provide you.

ACHESON

MRM:RT

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DEPARTMENT OF STATE

OFFICE OF THE SECRETARY
WASHINGTON

December 20, 1950

MEMORANDUM FOR MR. WILLIAM J. HOPKINS
THE WHITE HOUSE

I am attaching herewith copies of two telegrams from the Secretary, addressed to the President for his information. I would appreciate it if you would see that these come to the President's attention.

J. J. McWilliams
Director, Executive Secretariat

Enclosures:

No. 1004, December 19 from Brussels
No. 1003, December 19 from Brussels

DECLASSIFIED
E.O. 12065
STATE EVIDENCE 6-12-79
NARS, Date 11-29-79

FROM: Brussels
TO: Secretary of State
NO: 1003, December 19, Midnight

FOR PRESIDENT AND WEBB FROM ACHESON.

Following satisfactory discussion of German problems this afternoon, US, UK and French Ministers adopted following terms of reference for Allied High Commission and inter-governmental study group on Germany:

"The Foreign Ministers have decided to institute promptly preparations for a general outline of arrangements to be made with the Federal Republic of Germany, which would reflect the changes in the present occupation regime by reason of Germany's participation in Western European defense. After preliminary discussions with the Federal Chancellor and other leaders of West Germany, the High Commissioner should elaborate this outline in broad terms for consideration by their governments.

"The High Commissioners should examine the problems involved in the development of a new relationship between the occupying powers and Germany, and should recommend as a matter of priority to their governments those aspects which they feel should be dealt with by the intergovernmental study group. The intergovernmental study group shall reconvene in London during January 1951, to consider those problems referred to it as a result of these recommendations, and to complete the work assigned to it by the Foreign Ministers in September 1950.

"The High Commissioners and the intergovernmental study group should be guided in their work by the following general principles:

"(A) The entry of Germany into western defense arrangements would logically entitle it to substantial freedom. The goal should be to establish the relations between the occupying powers and Germany on as broad a contractual basis as possible, taking into account the resolutions adopted by the North Atlantic Council and to this end to associate the German Federal Government in the working out of future

arrangements
(over)

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-2- 1003, December 19, Midnight, from Brussels.

arrangements concerning this government.

"(B) In working out the relationship contemplated in (A) above, every effort should be made to explore with the Germans the problems involved, so that the final plan will be mutually satisfactory.

"(C) The arrangements in (A) above should cover all aspects of these relations, except such problems as can be resolved only in a peace settlement.

"(D) Commitments made by Germany through its adherence to international statutes or organizations would render possible the relinquishment of occupation controls.

"Certain of the subjects covered by contractual arrangements with Germany will involve countries other than the occupying powers. The study group should identify these subjects and should submit recommendations as to the procedure to be followed in dealing with them."

Department will be given fuller report on return Washington and summary minutes will be pouched other addressees. Tripartite communique on Germany released here will be telegraphed in clear separately.

MURPHY

JAX:MSF

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Department of State

TELEGRAPH BRANCH

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Control. 9253

Ref: December 20, 1950
4:35 a.m.

FROM: Brussels

TO: Secretary of State

RE: 1004, December 19, Midnight

DECLASSIFIED
E.O. 12065, SEC. III
STATE EXCLUDED 6-12-79
by NARS, DATE 8-28-79

FOR PRESIDENT AND WEBB FROM ACHESON.

At beginning second meeting sixth session NA Council this morning Acheson read Truman telegram on designation of Eisenhower, and Van Zeeland as chairman requested Acheson convey Council's thanks to President. Moch proposed (1) endorsing investiture of Supreme Commander which was approved and signed during meeting and (2) letter to be sent by each Defense Minister to chairman indicating willingness place troops under Supreme Commander. This agreed in principle though constitutional rules all countries did not permit completion action during meeting.

Acheson then stated that while NATO had just made tremendous stride forward it still had long way to go. Council should not rest on basis this accomplishment but should use occasion as opportunity for moving ahead. Necessary steps were: (1) place under Supreme Commander forces already in being, which US prepared to do with forces already in Europe before and of day; (2) increase available forces as soon as possible; and (3) increase industrial production on urgent basis in order supply troops. He noted that US had already taken great steps in latter regard with designation and authority given Charles E. Wilson. Some similar step appeared necessary in Europe. In this effort stimulate production US prepared help in any way possible.

Moch made statement French intention immediate transfer present troops in Germany to Supreme Commander and efforts build up size present forces, which led Sfora state this fine statement but all in military field. He indicated great need, as Acheson pointed out, was in economic field. This could only be accomplished, and Europe could only be prepared meet threat of Communism and of resurgent Germany, if it took effective steps together toward building ordered Western Europe. Bevin said it appropriate US should raise

production question. (over)

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MESSAGE IS PROHIBITED

-2- #1004, December 19, Midnight, from Brussels.

production question immediately after appointment Supreme Commander. It was important to increase production and important move forward promptly without waiting for answers to all theoretical questions. For his part he was authorized to state on behalf of government that UK would increase defense preparation in order to assist free nations build their defense forces.

Similar statements made by Denmark, Portugal, Canada, Belgium. Danish representative paid particular tribute to US efforts and healthy effect this will have on Europe, and pointed out importance in terms of building defense forces of securing German participation in which he felt US contribution would be especially effective. Portuguese Minister said his country had accomplished much internally and would be glad to accomplish more, but pointed out special position of Portugal and their interest in seeing satisfactory steps taken Iberian Peninsula. Claxton for Canada emphasized that Europe takes first place in global strategy and that area of NATO first line of defense against USSR which was why Canada so anxious to see wasteful hostilities in Korea ended. Van Zeeland said he, like others, was convinced that after recent tragic events peace can only be saved by building strength rapidly. He felt that all normal time lags had to be telescoped and men responsible for production given great stimulus.

Meeting at 12:20 for an hour while Foreign Ministers and Defense Ministers presented at royal palace, following which Spofford presented report of Deputies. In general discussion which followed Stikker raised raw materials problem, pointing out that earlier NATO deliberations and present OEEC efforts had been confused by tripartite board set up as result Truman-Attlee talks. He stated that raw materials urgently needed to increase present defense forces and could not be handled as problem separate from NATO and OEEC efforts. Norwegian, Belgian, Italian and Portuguese Foreign Ministers all associated themselves strongly with these remarks. Acheson stated it necessary raw materials question deal with both producing and consuming countries and not with any particular political group. US and UK sorely interested in getting job done on urgent basis and it would have to be done differently for each commodity. He gave assurances seconded by Bevin that there would be no sacrifice of NATO-OEEC principles. Stikker took exception to implication US-UK-France had set up new body. He said it was not question of consultation with NATO and OEEC but fact they could not recognize any other body in this field. Lange added that while he appreciated necessity prompt action he felt this could be secured through London organization. He suggested matter might be referred to Deputies for consideration, but Bevin objected on grounds NATO approach would cause difficulty with producing countries

not members

~~CONFIDENTIAL~~

-3- #1004, December 19, Midnight.

not members of NATO. He suggested instead that US, UK and France should consult with NATO and OEEC on question. Stikker and Claxton both opposed this in favor of consideration by Deputies. Acheson expressed agreement. He said most of difficulty resulted from confusion. So far there was no new organization created. As result Truman-Attlee talks three powers were merely exploring problem, and there was yet no agreement that more countries might not be brought into preliminary phase. Bevin indicated he would accept referral to Deputies although his present instructions prevented him from accepting anything but three-power solution to raw materials question. Also indicated Acheson's statement did not accord his version Truman-Attlee discussions.

At close of meeting Claxton raised resolution referring Canadian reorganization proposal back to Deputies for study and report, which was adopted. Council then discussed communique, and adjourned 3:20 p.m.

MURPHY

SMD:RFB

NOTE: Relayed to Defense 6 a.m., 12/20/50, (EJH).



DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

WASHINGTON

August 2, 1950

~~SECRET~~

SUMMARY OF TELEGRAMS

GERMANY

We have instructed Spofford, our Deputy to the North Atlantic Treaty Council, that in the course of his discussions with individual representatives of the North Atlantic Treaty countries he should indicate the US view that the defense effort required by the current international situation cannot be met without utilization of Germany's productive capacity to turn out non-combat equipment such as trucks and perhaps basic materials such as steel. While no general amendment of the agreement on prohibited and restricted industries is now envisaged, some modifications of it may become necessary if a shortage of steel or components of prohibited items should develop. Spofford should make clear that German capacity would be utilized whenever it contributes to prompt accomplishment of the North Atlantic Treaty production program; that the US will help in financing procurement in Germany; and that this proposal does not reflect any change in the basic US position on German rearmament or the production of combat equipment in Germany. Spofford has been informed that our main objective is to secure the favorable consideration by Treaty countries of the general concept of utilizing German industrial capacity, but that we cannot make specific firm proposals until after Congressional action authorizing funds to finance such production.

We have informed Ambassador Bruce in Paris of these instructions to Spofford, pointing out that they were brought about by a strong feeling that all facilities in the free world should be employed to produce additional materiel requirements. Bruce is to convey our views to the French, Ambassador Douglas is to take them up with the British, and we have advised our representatives in the other North Atlantic Treaty countries for their background information. We stress that our proposal is aimed at finding means of carrying the required defense load with a minimum impairment of the economic standards of the countries undertaking the present task.

EO 12812, Sec. 2.4.72

State Dept. Guidelines, March 6, 1982

~~SECRET~~ By DEB NLT, Date 8-5-86

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NLT (PSF FVBJ) 91
COPY 2 OF 2

DRAFT
8/25/50

My dear Mr. Secretaries:

Beginning on September 12, 1950, the Secretary of State will be meeting with the Foreign Ministers of the United Kingdom and France and, following that, with the Council of the North Atlantic Treaty Organisation.

The most urgent problem coming before the Ministers will be that of moving forward rapidly to strengthen effectively the defense of Europe and to determine the nature of the contribution by Germany to this defense. The urgency of solving this problem is increased by the growing military capability of East German forces. If the United States does not have a clear position prior to these meetings on the following points, there might well be disastrous consequences:

1. Are we prepared to commit additional United States forces to the defense of Europe;
2. Are we prepared to support, and in what manner, the concept of a European defense force, including German participation on other than a national basis;
3. Are we prepared to look forward to the eventuality of a Supreme Commander for the European defense forces;
4. Are we prepared to support the immediate creation of a Combined Staff for such an eventual Supreme Commander;

The Honorable
The Secretary of State

The Honorable
The Secretary of Defense

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By ANF/ML DATE 11/22/79

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5. Are we prepared to support supplementing the activities of the Military Production and Supply Board by a European War Production Board with centralized directions;

6. Are we prepared to consider full United States participation in European defense organs, i.e., would we be prepared to accept the responsibility of having an American Supreme Commander and an American Chairman of the European War Production Board;

7. Are we prepared to support the transformation of the Standing Group into a Combined Chiefs of Staff organization; and

8. Are there any other ways through which we should attempt to invigorate N.A.T.O. at this time?

In view of the interrelated political and military implications, I should like the Department of State and the Department of Defense to work together in developing recommendations on the above points for my decision. In order to permit preliminary conversation with the British and the French prior to the time the Ministers sail from Europe, I should like these recommendations prior to September 1.

Very truly yours,

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INCOMING
MESSAGE

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DEPARTMENT OF THE ARMY
STAFF COMMUNICATIONS OFFICE

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3. Secretary opened discussion of item 4 by stating action this item was key to future NATO. He solicited views of other members on this most important question. Netherlands opened by stressing need for defense line as far East in Germany as possible and raised both question of more troops in Europe (US, UK and Canada) or possible German participation in European Defense. UK emphasized need for West to use maximum strength to avoid occupation and the necessity for all planners to know what forces they might expect in planning defense. French favored increased US, UK and Canadian Forces in Europe but expressed reservations re arming of Germany. US closed session by emphasizing that alternatives suggested by Netherlands were not in fact alternatives and that both courses suggested by Netherlands wld be necessary to build sufficient strength. In recessing for lunch Secretary stated his opinion it duty of all Council Members to speak and with absolute frankness on this vital question.

4. Afternoon meeting reported in fol telegram.

ACTION: STD-GE(NATO)

INFO: OGA, OAGC, CSA, G2, G3, SECDEF, CMA, JCS, CSA

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FROM: USUN NEW YORK, NEW YORK SOC ACHESON

TO: SECRETARY OF STATE

NR: SECTO 18 161328Z 16 SEP 50

Army pass Dept of Defense.

Sent Dept SACTO-18, PRIORITY, repeated PRIORITY.
Brussels (Passed to Luxembourg) unnumbered, Ottawa unnum,
Copenhagen unnum, Paris (Passed OSR) unnum, Rome unnum,
The Hague unnum, Oslo unnum, Lisbon unnum, London unnum,
Heidelberg for Mandy unnum. Department of Defense unnum.

Summary, Second Meeting, Fifth Session, North Atlantic
Council. 3 pp Sept 15.

2. Continued discussion agenda item 4 re Defense

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2. Portugal stated that both increased troops in Europe and German participation in European defense desirable and stated that defense lines should be as far to east in Germany as possible but that realism dictated preparation of secondary lines of defense should initial battle go badly (no specific mention of Spain).

3. Norway stressed psychological and political problems involved in use of German manpower. Recognized possibility utilizing German manpower but noted German reluctance to take part in defense of west, possible Soviet reaction to German participation, and adverse propaganda if Germans hastily taken into defense forces of west. Proposed NATO begin studying technical aspects of problem of utilizing German resources and manpower but would need consult Norwegian Government before approving German participation and believed we should move cautiously.

CH ID 12245

(15 Dec 50)

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 2005-06-15. 2005-06-15. 2005-06-15

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4. Belgium urged defense line as far east in Germany as possible and German participation in own defense. In view possible adverse public reaction and danger rebirth German militarism, Germany should not be armed ahead of other pact countries. Favored increasing German police force, associating Germany with economic effort for defense and, provided margin of strength maintained in favor of NATO countries, participating in joint armed effort. Suggest planning take place on problem but stressed need for proceeding with caution.

5. Luxembourg also stressed psychological obstacles to hasty action re Germany and in general took same position as Belgium.

6. Denmark agreed with Norway and Belgium.

7. Italy stressed psychological advantage in pushing defense line east; and urged full cooperation in favor of German participation in common defense.

8. Canada favored principle of using Germany in European defense. Canada accepted principle of German manpower being appropriately used in defense of west.

9. UK emphasized need for public and parliamentary support before Germany could participate in European defense. Noted steps recently taken re term of conscription and urged early creation of central command for recruitment and training European forces. When this accomplished, German participation possible without adverse public reaction. Did not oppose participation in principle and would stand publicly by opinions when proper time came, but premature publicity could be disastrous. German police problem distinct from defense and UK favored building central police force to resist attack from Soviet Zone or preserve law and order within Federal Republic. Solution police problem should not await solution of other problems.

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10. After all nations wishing speak had stated views (only Iceland did not make statement) secretary made full statement US position, answering points re Germany raised during discussion and making clear US viewed decision on permitting German participation as essential part of over-all US program. US emphasized necessity agreeing in principle to these basic points during present session, said council should not get lost in discussing details which could be worked out subsequently if we were clear on basic issues.

Secretary emphasized dire consequences of losing Germany to east and need for utmost speed. Noted US proposal to increase troops in Europe if European NAT countries do their part. Proposed creation central military organization, including appointment top command, to train and control component units of European Forces. Stated willingness to reorganize military supply board giving it power to develop centralized program for production and use of equipment. Noted US willingness make funds available to RPPP if countries will assume their share burden. Indicated consideration could be given to further financial cooperation by US if partner nations could convince US that they were doing everything possible for their defense and by additional aid could make substantially greater effort.

Stated basic decision favoring German participation did not involve creation German National Army or German General Staff. (Also pointed out German police sera for internal security whereas basic question was development of strength to resist external aggression.) Stressed time lapse almost 2 years between induction of German troops and their completed training. Expressed view that decision to create German units should not really interfere with equipment of NATO countries, since during this initial period of equipment scarcity, Germany needs only training equipment. Noted allocation equipment remains outside German hands. Indicated that if steps initiated in near future to form German units such units would not be ready until after establishment

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European forces which could receive them as integral part.
Discounted alleged provocation of Soviet Union by decision
re German participation. Urged council take basic decision
favor German participation.

11. Next meeting scheduled 10:30 am September 16.

ACTION: CSA

INFO: GCA, CAGO, CSA, CG, G3, JCS, OPA, SECDEF, STD-GP(NATO)

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STATE DEPT MSG

FROM: USUN NEW YORK NY 300 ACHESON

TO: SECRETARY OF STATE WASH DC

NR: SECTO 20 170230Z 16 SEP 50

Army pass Dept Defense.

Dept pass Brussels, Luxembourg, Ottawa, Copenhagen, Paris (pass CSR), Rome, Hague, Oslo, Lisbon, London, Heidelberg for Handy, sent Dept SECTO 20, rptd Brussels, Luxembourg, Ottawa, Copenhagen, Paris, Rome, Hague, Oslo, Lisbon, Heidelberg as unnumbered.

For President and Acting Secretary.

Summary Third Mtg North Atlantic Council Fifth Session Sept 16 10:30 AM.

1. Continued discussion item four of agenda.

2. Schuman opened with strong statement regarding participation Ger manpower in defense of West Eur making usual points. Stated we are asking for conscription Germans, not volunteers. Latter might be more acceptable. Cited Ger CDU Party statement participation Ger divisions premature. Does not believe Ger public opinion prepared accept. Also raised legal ques whether Ger units can participate without adhering to NAT, which wld require action by twelve parliaments. Stressed psychological obstacles. An announced decision here on principle wld be to present peoples with fait accompli, and might be counterproductive to desired result. Suggest EE refugees might be among first to appear in Ger units and pointed out effect on EE peoples of USSR propaganda playing up theme that EE refugees will be the first line Army of west. Agreed with Secys statement yesterday that strengthening defense itself involves risk provocation. However that risk must be accepted. This additional risk need not be.

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Warned that all spirit old reawaken in Ger as after first war. Stated armed Ger wld be more difficult to deal with on peace treaty. Germans more difficult deal with already since proposal became known, and they feel they can demand concessions. Discounted danger developing Ger neutralism. Germans admire strength in anyone and their attitude will be function our strength. Problem is evolutionary and must be taken in series of steps. Warned against going too fast.

Stated Fr Govt not irrevocably opposed to Ger participation. However, must be strong Nat Army before Ger units can be integrated and must be sufficient supplies in equip pool for that Army before giving to Gers. Warned that Germans, if units formed in two yrs and medium term defense plan equip not provided for three years, wld insist upon reorganizing own munitions industry. Wants wait till our strength at acceptable minimum, altho not necessarily for completion full program. Asked why take spectacular decision now, involving grave danger in Ger and Russia. Referred to Secys statement yesterday and doubted wld take 18 mos or 2 yrs to form and train Ger units. Cited police citizen lists, spirit of discipline and mass unemployed offer class.

Closed by stating did not want end on negative tone. Ger shld contribute to defense Eur including Ger, but it can contribute by increase in police, providing steel and materials, strengthening labor units, and building fortified defense line in Ger. Requested we study problem and stated not opposed to talks with Germans. Does oppose immediate decision. Unavoidable publicity wld be extremely dangerous. Probable that Ger will some day join defense forces. This shld be when sure Ger contribution will enhance not endanger security. Cant be certain of that at this time.

3. Sforze (Ital) was emotionally moved by Schumanns eloquence and wished old agree. Maybe old agree if not faced by greatest danger ever in Eur and under threat universal destruction. Must forget past and face situation as it presents itself. Reaffirmed position taken yesterday.

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4. Svikker (Neth) believed Council had elements necessary reach certain decisions now. Pointed out Ger occupation as severe in Neth as in Fr and Belg. However if US proposal put before Dutch pari 80 percent wld favor: A govt crisis is imminent in Neth partly because conviction Eur defense not sufficient and continent cannot alone defend itself. WU and Nat concepts right but defense only on paper. Have only two alternatives-US, UK, and Can troops in Eur, or use Germans.

5. Van Zeeland (Belg) questioned whether differences so important. Have agreed on purposes. Agreed in principle Ger must be used in one way or another. Must see now what positive steps we can take. Agreed on Ger economic measures. Police can help mil. Must now decide where lies our interest, what will be effect on total strength, and what practical studies to be made. Stated Acheson yesterday answered Fr fear of attempting equip Ger until mil production stops and Ger units integrated into total force already in being. These points show gaps narrow and positive results have been accomplished. Have full agreement on magnitude of danger and maximum effort required. US yesterday made positive suggestions constituting "Revolutionary change" in US policy. Must view problem in this new light. Shld try state remaining issues more precisely.

6. Acheson summed up discussion. Are talking about whether or not, and how, add Ger strength to our own. We are all in together, fully sharing commitments. Must now work out sense of direction. Do we want to accomplish objective, reject, or not think about it? Asked no fight problem, but solve it. Stated can be solved. Pointed out he didn't say yesterday US proposal only way to solve. If there are other ways they shld be considered. However it not constructive simply to criticize US proposal without making constructive suggestions.

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Pointed out had stated difficulties yesterday. Repeated we agree integrated NATO Force comes first but it is only part of problem to which Gars contribution to west defense is linked. Russia has force in East Ger to which it is adding strength. Gap is colossal between east and west forces. Not asking immediate specific decision but only that we all now agree on course. Hopes it will be possible to do this.

Secy pointed out all in agreement Ger must participate and some time council must take this step. We should reach agreement soon so strength in west could be increased by adding Ger strength in way that aided overall strength. Stated had no desire for spectacular action and wished reach conclusion not embarrassing to anyone. But cannot get anywhere if matter not faced up to. We will get in trouble if we do nothing, and while there will be difficulties if we decide to go ahead, important thing now is to get sense direction. If NATO agrees on that, progress can be made.

7. Bevin (UK) stated could neither add to nor subtract from yesterday's statement. Agreed should reach conclusion on sense direction. Need decision so planners can get on with work. Stated situation becoming very dangerous and we must decide on the course we will follow.

8. Mtg recessed at 12:55 until 3 PM at which time discussion item four to be continued.

ACTION: 03

INFO : CSA, G2, JCS, CSA, OGA, OAGO, ONA, SEC DEP, SDLO, AF, NAVI

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kind of command required, question of timing of appointment and authority of supreme commander, and nature international staff required. Ford experts asked how machinery can be improved. Finan experts asked for immediate advice on solving finan problems.

Communique wld state council has given fullest consideration to problem of relationship to West Ger including Adenauers' proposal. Council determined to add to strength West Ger but in such way as to minimize problems. Secy proposed that communique imply there would be further mtg in relatively short time but deliberately leave date vague. Stated confident council cld break deadlock in short time and said shld shoot for mtg in week or ten days.

3. Schuman agreed to proposal and stated belief ten days about right for next mtg.

4. Sforza pleaded for continued discussion council and stated belief with good will council cld reach agreement on major issues in continued sessions.

5. Cunha (Port.) stated decisions must be referred govts which can not be done within 2 days.

6. Lange (Nor) suggested communique emphasize points of agreement. Said govts can consider in 10 days and hoped wld reach final decision by then.

7. Aevia stated only Russia wld be made happy by such communique. Very pessimistic concerning consequences failure agree on historic proposal this time. Believed people will consider communique diplo device to cover profound disagreement. Was afraid people might lose faith in this grand idea unless problem solved soon. Compared morning discussion to dash of ice water in contrast to Secys statement second mtg which he described as warm bath. Felt might require few more days for govt consideration but urged speedy action obtain agreement.

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8. Pearson (Can) stated good deal in Bevin's statement. Council has discussed in only 2 mtg. If communique only says large area agreement reached but details all points of disagreement wld have had effect.

9. Acheson said he had no intention stating what Bevin and Pearson apparently understood him to say. In light of discussion and because of apparent confusion over proposal, wld now withdraw proposal and start over. Happy accept suggestion for council mtg Monday. However was nesses that work continues over weekend in preparation for such session. Proposed turn problem over to depts to work on prior to mtg Mon.

10. Schuman agreed. Stated 12 govts cannot be expected solve such major new questions in 2 days. However shld not lose courage. Have reached maximum agreement and govts shld review position.

11. Council agreed meet 11 a.m. Mon. Spofford called mtg depts 2:30 Sun Sept 17.

12. Cunha raised problem Spanish participation under item 4. In long speech stated shld study without prejudices and exclusively from strategic point of view. Made clear was not raising ques of membership NAT but merely utilizing Spain for common defense, citing analogy treatment Ger Spain Turkey. Emphasized importance Spain defense port and pointed out stood between port and Fr.

Warned that first line may not be held, we countries may be overrun, and neces look at realities. This required preparation def in depth behind Pyrenees. Realized might not be able to agree today and perhaps must wait until GA acts. Proposed council give full freedom to US to do what must be done to bring Spain into def picture.

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13. Schuman replied that Spain ques cld be solved by admission to NATO. Cld not discuss def plans generally with non-members. Stated Ger was special case because of occupation. Whatever strategic merits of inclusion Spain cannot discuss as long as UN res in effect. Possibly after GA if it acts favorably, Port cld raise question again more profitably.

14. Cunha reiterated did not insist now on final answer. Stated all or nothing not only alternatives and saw no reason for waiting until GA acted. Specifically proposed US give help to Spain, not necessarily monetary but in form of arms. There was no comment on this proposal.

15. Item 4. Council accepted FEO's report without comment except UK statement very good report.

16. Item 6. Sforza stated Ital wld bow to majority. However urged reply be made verbally and not publicly. Pointed to delicate situation Turk Govt vis-a-vis opposition. Important minimize negative aspects since Greece and Turkey faithful allies west powers.

17. Bevin pointed out US had stepped in helped these countriss at critical time and countriss were linked UK-Fr by treaty. Therefore prospect not so bleak as appeared on paper. Agreed with Sforza re approach.

18. Schuman questioned whether desirable to make public decision.

19. Cunha saw no reason not make public positive aspect of reply. Felt required written statement as follow-up to verbal approach.

20. Acheson stated appeared sense of mtg that chairman communicate decision personally to Fomkins.

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Proposed deliver written oral statement of favorable aspect of decision. Council wld give no publicity to decision. Presumably countries will make own public announcements which we can merely confirm. Pointed out that US wld relinquish chair at end of stg but prepared to undertake task if Van Zeeland agreed.

21. Council approved above course action.

22. Item 7. Stikker explained problems required study. Pointed out NATO discusses division Eur resources, Finan mechanisms for Sharino def burden, arrangements for distribution US aid. On other hand OEEC studies econ expansion, bal of payments, liberalization trade, monetary stabilization, and other matters closely related NATO work. Believed if both bodies deal with these questions no real work for either. NATO not equipped with neces experts deal with all def Finan econ problems while OEEC well established and staffed. Pointed out no initiative now being taken on many problems resulting from impact increased def efforts and countries are drifting into dangerous situation. Stated held no brief for either org, merely wanted results.

Pointed out transfer of functions and staff from OEEC wld have had polit impact on Eur. Stated ECA must have its Eur counterpart. While not knowing US intentions for interlocking ECA and mil aid, believed ECA might deal with both.

Proposed starting on empirical basis. Suggested council pass resolution suggesting del of NATO countries to OEEC meet in Paris and establish liaison with Lond NATO bodies. Wld utilize OEEC secretariat. If this proposal agreed in prin by council, depts cld prepare draft resolution. No publicity shld be given this decision since formal establishment might have unfevorable influence on Swed and Switz. Stikker stated had talked with depts these countries and confident were willing cooperate this arrangement. In fact Swiss wld prefer participate in such work.

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23. Adhesor considered Schilder proposal scribble and reasonable. Asked whether Stricker old draft such proposal for consideration, depts.

24. Sevin said matter one for experts and required study particularly those related to problem of Finance of NATO itself. Suggested be studied by experts and referred back to council for final action.

25. Lange suggested agreement on principle and asked depts to work out with CEEC deis and DFEC suitable arrangements.

26. Schuman stated old not take position on issue today on Monday. Expressed fear might be over-organizing, point out each gov't has duty coordinate their various deis, these various bodies. Prepared study any document but said, said express fear be may be organizing sickness.

27. Agreed Stricker will prepare draft for submission Depts Sept 17.

28. Item 6. Discussion Schuman paper C5-3/4. Schuman pointed out impact of accelerated Def program on prices cotton, copper, wool, and rubber. If this allowed to continue, old create danger general inflation from burdens of Def. Stated had no solution to offer now and requested only the problem be studied by the deis possibly with help of CEEC.

29. Stricker agreed problem should studied.

30. Sevin pointed out problem very complex and involved producing as well as using countries. Doubted NATO proper body deal with such problems and thought required wider study than proposed in Schuman resolution. Proposed depts consider best means for consulting producers at NATO 1958.

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31. Acheson proposed depts work on problem and attempt prepare resolution for Mon session. Pointed out old only suggest method. As result of study they might conclude some other body shld undertake.

32. Stikker pointed out problems old only be solved on ad hoc basis for such commodity. Asked that depts study whether OSEC old give useful advice.

33. Council agreed request depts formulate resolution for such study to be presented Mon.

34. Council agree wld tell press only that council continued discussion and recessed until Mon 11 A.M.

ACTION: G3

INPC: CSA, CSA, CGA, OAGO, GP, AF, NAVY, JCS, ONA, SECDEF, SDLO

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..(18-Sep 50) DTG: 17 Sep/50pm fmb/C

MLT (Naval Aide) SS

OFFICE OF
THE SECRETARY OF STATE
WASHINGTON

September 28, 1950

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EO 12065, Sec 3-102

State Dept. Guidelines, March 6, 1982

By DB NLT, Date 6-7-83~~TOP SECRET~~SUMMARY OF TELEGRAMSNORTH ATLANTIC
COUNCIL

In the meetings of the North Atlantic Council over the weekend, the Secretary strongly stated our position on the creation of a

European defense force, emphasized the necessity for the participation of German units in this force, and stressed the need for agreeing on a common sense of direction for the defense of Europe. The discussions in the Council revealed that all members, except Foreign Minister Schuman, apparently were prepared to take an affirmative decision in principle on the participation of German units. Although Schuman was placed under great pressure from all sides to concede, his instructions from the French Government apparently do not permit him any latitude on this subject. In an effort to break this impasse we instructed our Ambassador in Paris to present in the strongest terms to the French Government the necessity for French acquiescence in this measure as soon as possible, pointing out the extreme gravity with which continued French unwillingness to render in a decision by the other eleven North Atlantic Treaty governments will be viewed in the US. We have further suggested that the French and the UK Defense Ministers should proceed immediately for discussions on the subject. Meanwhile our Ambassador in Paris reports that the reaction of the French Prime Minister to our representations was one of full awareness of the gravity of the situation and a feeling that such discussions would be helpful. The matter will be presented to the French cabinet today along with a suggestion that the French Finance Minister accompany the Defense Minister in view of the financial questions involved.

In further discussions the Council: 1) took no action on proposal by Portugal that the Council consider the question of Spanish participation, not necessarily membership, in the North Atlantic Treaty; 2) decided that at the present state of development of the North Atlantic Treaty Organization (NATO) it is not feasible to extend the treaty to Greece or Turkey; however, it would be desirable, if these governments so desire, to make arrangements for them to be associated with such phases of the military planning work of NATO as are concerned with the defense of the Mediterranean;

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- 3) discussed problems resulting from the impact of increased defense efforts on the economies of the member governments and the prices of primary commodities and the necessity for working out a means of coordinating the work of the various organizations in this field, and
- 4) discussed the form and content of the final communique.

INDOCHINA

Our Missions in Hanoi and Saigon have informed us of an attack by Viet Minh troops in considerable strength on the town of Dongkhe in Indochina. The headquarters of the French Army in the Far East and our Missions do not consider the attack as the beginning of a general offensive, although the number of Viet Minh troops is estimated at five battalions and are the best armed and trained troops the French have yet encountered. There is no indication the Chinese Communists are directly involved.

FAR EAST

In light of the recent landings of US forces at Inchon and in order to prevent the further extension of war in the Far East, we have requested the Indian Government, through its Ambassador in Peking, to express to the Chinese Communist regime our view that it is of the utmost importance that the Chinese Communists avoid any intervention in the Korean hostilities. We noted that this expression of views would be more effective if it was presented as India's own views or if the Indian Government could associate itself with them. The Indian Government has replied that it is in full agreement with this approach and would instruct its Ambassador in Peking at once to present these views to the Chinese Communist regime as those of the Indian Government.

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TO: SECRETARY OF STATE

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unn, Hague unn, Oslo unn, Lisbon unn, London unn, Heidelberg
for Handy unn, Defense uno.

"Summary fifth mtg North Atlantic Council 11 an
Sept. 18:

I. Agenda item 1, relationship between NATO-OEEC.

Council adopted C 5-D/7 (rev) with two changes pro-
posed by Bevin. Deleted phrase in first para "particularly
in connection with measuring the impact of and suggesting
means of financing the WTDF"; and added to end final para
the phrase "and is referred to the depts for that purpose".

2. Agenda item 2, raw materials problems (C 5-D/11
rev).

Council adopted resolution. Stikker agreed, but ex-
pressed hope that depts would work out proper coordination
with OEEC.

3. Agenda item 3, resolution on WTDF (C 5-D/5 rev).
Adopted without discussion.

4. Agenda item 4, questions affecting defenses West
Europe (D-D/62).

Spofford reported depts had exchanged views on German
and integrated force. Had agreed were points on both prob-
lems on which further consultation with govts required by

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some mins. Agreed recommend that Council recess for as short a period as possible, perhaps week, to enable govt consultation take place. Debs recommended that Council continue discussion today and suggested each express views on two phases, indicating which points require consultation with govt, and stating govt attitude at this time.

Spofford stated debs recommended brief communique, merely indicating Council had recessed to permit consultation govts.

5. Council agreed to abort recess, on understanding meeting would be set at time most convenient for mins. If min. could not attend personally, govt would be suitably represented.

6. Council agreed each min should be given opportunity raise any question and make such statement on issues he cared to make, after Schuman, Lange and Cunha made clear they did not desire reopen entire German debate.

7. Country views given as follows: Van Zeeland accepted wholeheartedly concept of unified force. Agreed to principle of unified command, single commander, assisted by international staff. Expressed dissatisfaction that force would be made up of national contingents, and also at US decision take full share in force and send additional units to Europe. All should recognize that must make maximum effort raise required force.

Could see wide area agreement on German participation in defense in one form or another. Must insure that German attitude would be favorable. Belgium accepted principle of German participation in force to be decided upon criteria of maximum effectiveness. This decision raises many internal, legal and constitutional problems.

Pearson had hoped German participation could be decided now in principle. However, impressed with Schuman's

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difficulties and agreed postpone one week. On integrated force, welcomed ideas of US. Believed would effect desirable simplifications of past machinery. Raised problem of better liaison between SG and non-members and pointed out this would be more important if functions of SG increased as proposed. Suggested consideration doing away with DC and DPSC, and having but one council at ministerial level, at which appropriate ministers could appear as required.

Explicated unique position Canada as small overseas nation with local defense problems. Stated Canada forming new army for UN and NATO but made clear making no commitment now how Canada would be associated with unified force. Asked for NATO guidance on disposition of equipment Canada prepared make available, through stocks and new production from \$300 million program. Requested progress on standardization so Canada could replace equipment, but did not specify US equipment.

De Kauffmann explained Denmark and Norway positions generally similar and preferred speak after Lange. Schuman hoped study during recess would result in rapprochement. Raised again question getting Germans to build line of fortifications, and proposed that might come study. If could announce at end ten days would have favorable effect on public opinion Eur and Ger, since forts would be built along eastern frontier.

Benedikson agreed principle integrated force, but felt countries more directly concerned should decide on this and German question.

Sforza had little to add but hoped will reach agreement as soon as possible. Deeply appreciated US proposals and entirely agreed principle integrated force. Agreed Pleschke remarks re SG, and with Schuman proposal for building German fortifications. Latter would prove we thinking only of defense, not aggression.

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STAFF COMMUNICATIONS OFFICE

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NR: SECTO 25

PAGE 4

Bech stated in general agreed on unified force but must consult govt. On Ger, greatly impressed with acoys statement, which resolved many their doubts.

Stikker stated nothing to add to earlier Ger statement. Netherlands Parliament has discussed and arrived at position he earlier expressed. Agreed in principle on integrated force. Agreed with Pearson re better liason with SG. Cited proposed action by North Atlantic Ocean Planning Group re Dutch fleet and stated SG should insure that countries brought in when problems affecting them discussed. SG should maintain close contact with council, where political guidance obtained.

Lange stated several questions. Wanted US to expisin phrase in statement re "adequate force to insure successful defense Eur including West Ger." Did this mean all of NAT area or only central Europe? Questioned authority of Chief Of Staff on training, pointing out that what done with force allocated to NATO would have direct bearing on natl forces not so allocated. Requested info re effect of integrated force on present regional planning groups. Stated any change in North Atlantic Ocean Group should be decided by council.

Lange associated himself with Pearson and Stikker and Sforza re SG, saying liason must be improved, if authority broadened.

3. Council adjourned until 3.

ACTION: STD-02(NATs)

INFO: CSA, CSA, G2, G3, G4, JCS, NAVY, AF, OMA, SDLO,
SEC DEF

CM IN 13045

(19 Sep 50)

DTG 19 Sep/1:30AM en/C

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MESSAGE

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DEPARTMENT OF THE ARMY
STAFF COMMUNICATIONS OFFICE

NS (PST. SWAT) 96

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PRIORITY

PARAPHRASE NOT REQUIRED

STATE DEPT MSG

DECLASSIFIED

P.R. 08-01-1988-10-11
PAGE 330
DATE 11-03-79

FROM: USUN NY NY SGD ACHESON

TO: SECRETARY OF STATE

NR: SSGTO 32 191030Z 19 SEP 50

For Dept of Defense rptd priority Brussels (Pass to Luxembourg) unnn Ottawa unnn Copenhagen unnn Paris (Pass to GSR) unnn Rome unnn Hague unnn Oslo unnn Lisbon unnn London unnn Heidelberg for handy unnn.

Sixth mtg MAC Fifth Session, Sept 18, continued discussion for morning session.

Lange stated greatly impressed by argument in favor of integrated force and realized far reaching consequences of US decisions. Norway would never wish obstruct action on Matter Big Three and many other NATO countries had agreed. Essential that in future notice such far-reaching questions should be given through depts so could consult parliaments before mtg. Stated did not now have authority commit govt. Certain constitutional and legal issues must be studied but hoped will be overcome. Trusted proposed recess will give enough time take decision. Hoped enough flexibility in planning under unified command take account particular factors, such as Norway's remoteness and common frontier with Russia. Stated not clear how integrated force linked with Germ question.

* * * to questions raised by Lange in morning. Explained impossibility giving advance notice on proposals (basic issues were ruled by French Aug 17 note). French attached deepest importance to study and US went to work right away. President formulated US policy only Sat before mtg started.

NOTE: * * * Being serviced. 191030Z

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ATO: PALMER

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OCNO FILE(100-101)...SECNAV(102-105).

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NR:

SECTG 32

191030Z

PAGE 2

Re Lange's first question, Sec stated US meant entire area covered by treaty. No one at this time could say just how would defend, since this would depend upon circumstances, including forces available. Re second question, not contemplated Supreme Commander and staff would have any authority over forces intended for but not yet allocated unified forces. However, should have important voice in talking to representatives of govt on standard to be met. Presumably Supreme Commander could refuse troops if not properly trained, or service up in matter of weeks. Re forces already committed by govt to unified force, his authority should be very great, prescribing training in detail.

Re regional planning groups, Sec stated proposal should have very little effect on North Atlantic Ocean Group whose functions would not be absorbed by staff working on land forces. There should be close relationship, however. Unable state effect on other regional groups. If integrated force and staff created, this staff would perform many functions, including planning. Since planning now function of regional groups, their work must somehow be brought into combined staff.

Acheson referred to statements re closer relationship between Standing Group and non-members. Recognized was important problem and agreed must be worked out. Stated problem required professional advice and council consideration.

Acheson replied to Lange's query as to tie between integrated force and Cer proposal. US proposal was most earnest effort to reply to French Aug 17 note. US proposed certain changes considered essential in creating the required force in time likely to be available. US has requested Council's views on integrated proposal. Can't say what happens if Council turns down. However, no sense in having commander with no troops to command, or vice versa. If US proposal not acceptable, we will work to find something else which will meet objectives. However, do not believe US would be fairly treated if Council prepared to talk about only certain aspects of US proposal but not others.

CM IN 13131

(19 Sep 50)

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DEPARTMENT OF THE ARMY
STAFF COMMUNICATIONS OFFICE

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NR: SECTO 32 191030Z PAGE 3

De Kauffmann generally subscribed to Lange's statement. He needed inform govt and hoped he possible give answer next mtg.

Cunha stated govt saw no objection to Ger participation on terms proposed by US. On integrated force, posed several questions.

(A) Which countries could contribute forces and who could decide how many?

(B) Could Supreme Commander station national units in another country?

(C) Does central production body guide, help or act as action body?

(D) What effect would US proposal have on * * *?

(E) Which US statement should be considered authoritative, the oral or written statement?

Adheseon replied that:

(A) Hoped all countries would want to contribute forces but govts would decide;

(B) Commander could hardly move troops into or out of a country without that govt's consent;

(C) Production body would be action body, to give guidance and help nations;

(D) Relationship shld be defined;

(E) Countries should study all US statements -- expressing our position.

Cunha indicated must consult parliament which does not meet until Nov. Expressed regret defense entire Iberian

NOTE: * * * Being serviced.

CN IN 13131 (19 Sep 50)

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NR: SECFO 32 1910304 PAGE 4

Peninsula not secured. Not opposed in principle to integrated force, but must reserve on national participation, breasting commander and on central production body.

Bevin made statement authorized by cabinet recapitulating Sat position. UK agrees necessity for unified force and Supreme Commander. Does not feel desirable spill out details command and constitution integrated force now since defense committee should work out for Council. Re Ger participation, govt accepts principle, subject to agreed conditions, some of which already indicated by US. Agree with US view that entire problem must be worked out over time and agreement in principle doesn't mean that Ger units could be formed immediately. Suggested next stage would be for defense committee to appraise best ways for Ger to help and examine problem with Ger Govt. Proposed wa reply to Adenauer stating that High Comm authorized ascertain in what ways Ger can best help defense freedom in Eur against aggression. High Comm would then report to Council. Warned govts against overestimating psychological and political risks, stating must face these.

Schuman proposed resolution for Council to request Big Three to ask High Comm to examine condition under which Ger could contribute to defense through defense works, fortifications and airfields, for report at next meeting.

Acheson objected to reference to High Commissioners, stating more appropriate address request to three govts. Schuman agreed so modify.

Bevin questioned wisdom picking out isolated military problem in absence military appreciation entire situation. Stated not too concerned over provocation generally, but if proceeded build defense lines before forces available might invite attack.

Acheson agreed strongly with Bevin. Considered it mistake pass such resolution. Would inevitably become known and anticipated bad reaction to knowledge we were

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DEPARTMENT OF THE ARMY
STAFF COMMUNICATIONS OFFICE

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NR: SECTO 32 191030Z PAGE 5

asking Ger provi's day labor on defense. Shld consider connection entire military problem.

Schuman stated govt wld be required in ten days take decision in principle on use Ger manpower. Wld be more difficult for Fr Govt act favorably on that unless this immediate step taken. Considered there was tendency to neglect installations and be hypnotized by manpower.

Acheson stated preference for no council action and discussion of proposal by FOMins.

Schuman withdrew proposal and indicated would raise in FOMins.

Council agreed minor editorial changes in draft communique be referred to Depts, who were authorized prepare and issue final draft.

Council recessed, subject to recall by Chairman.

ACTION: G3

INFO : G2, CSA, AF, NAVY, JCS, CMA, SECDEF, SELO

CN IN 13131

(19 Sep 50)

DTG: 19 Sep/1950 vps/D

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NL7 (Nouvel A. de) 186

OFFICE OF
THE SECRETARY OF STATE
WASHINGTON

September 19, 1950

DECLASSIFIED

E.O. 12065, Sec. 3.402

State Dept. Guidelines, March 6, 1982

By: DOB NLF, Date 6-7-85~~TOP SECRET~~
SUMMARY OF TELEGRAMSNORTH ATLANTIC
COUNCIL

At its final session the North Atlantic Treaty Council agreed to a short recess in order to permit certain of the Ministers to consult with their governments on questions relating to the creation of a European defense force, particularly with respect to the inclusion of German military units in such a force. During the recess the majority of the Council members indicated that they welcomed the US proposals and expressed agreement in the principle to the creation of an integrated force. However, a variety of questions were raised as to the details of the US proposals, such as the functions of the unified command and the body to coordinate the defense production effort and the timing for the various measures. The Secretary assessed that the US had requested the Council's views on an integrated proposal; and that, if our proposal is not acceptable, it will be necessary to find other means to achieve the same objective. The Secretary and Bevin rejected a proposed Council resolution by Schuman that the High Commissioners for Germany be requested to examine conditions under which Germany could contribute to defense through defense works, fortifications and airfields, for a report at the next meeting. Schuman stated that his government would be required to make a decision in principle on the use of German manpower in a defense force and that it would be more difficult for the French Government to act favorably on this question unless the above immediate step was taken. In view of the insistence of the Secretary and Bevin that the question of military installations be considered in the context of the entire military situation, Mr. Schuman withdrew his proposal and indicated that he would raise the question in the Foreign Ministers discussions.

FOREIGN
MINISTERS

The Foreign Ministers, in their fifth session in New York, discussed the questions of east-west trade, migration, Yugoslavia and Germany. The Ministers approved the migration report and all proposals on Germany submitted by the working group and reached general agreement

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on economic aid to Yugoslavia, providing for the conclusion of a \$30 million German credit to Yugoslavia and support for the Yugoslav International Bank loan request. The Ministers failed to agree on the question of east-west trade. The Secretary presented the US proposal providing for a study of, and substantial reduction in, exports to the Soviet bloc of items on the US list requiring quantitative restrictions on exports and stressed the necessity for agreement on certain rules of conduct. Bevin countered with a UK proposal which stressed that equal consideration should be given to the economic implications to western Europe of any proposed controls under the US list. The Ministers agreed that the major problems in this field arose in connection with certain equipment which might aid the Soviet war effort but was also in the realm of normal trade and agreed to appoint a special group to study this question and report to the Ministers.

On the question of the security of Berlin, the Secretary urged that Bevin and Schuman take steps in the near future to obtain agreement of their governments to a statement that the western powers would hold the USSR responsible for any attacks by the East German forces even after the USSR legally dissociates itself from responsibility for the East German government. The Secretary also urged that the governments give urgent consideration to providing increased military forces in Berlin and to meeting the costs of the recommended increased Berlin stockpiles. The Foreign Ministers further agreed on the text of the final communique and a special communique on Germany to be released today.

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DEPARTMENT OF THE ARMY
STAFF COMMUNICATIONS OFFICE

NLT (N.F. SVBT.) 102

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PARAPHRASE NOT REQUIRED

STATE DEPT MSG

FROM: USM NEW YORK N Y SGD ACHESON

TO : SECRETARY OF STATE

NR : SECTO 42

22 SEP 50
REC'D BY STATE 23 SEP 50

Department pass Paris. Sent Department SECTO 42, repeated Paris unnumbered.

Following tripartite meeting this afternoon and at French request Acheson and Marshall met bilaterally with Schuman and Moch.

Moch made presentation of problems involving activation of ten new divisions by July 1, 1951.

According to his calculations French calendar year 1951 military budget, if his announced plans were to be carried out, must total 850 billion francs (610 billion for France plus 240 billion for Indochina).

Current military budget totaled 420 billion francs. So far he had obtained Cabinet authorization to request Parliament for additional 160 billion francs (80 already announced by Flevan plus another 80 decided upon in last Cabinet meeting) for 1951 calendar year. This totaled 580 billion and the gap between this figure and the 850 billion required for 1951 was 270 billion francs. It was this gap which must be met if his plans for 1951 were to be realized and he asked US help to this end.

He pointed out that he must present his military budget by the end of October and that it must be voted before end of year.

American aid already promised and contemplated consisted of end items many of which could not be delivered in time for him to meet his deadline for ten new divisions.

CM IN 14616

(23 Sep 50)

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U.S. GOVT. PRINTING OFFICE: 1950
PAGE 1394
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DEPARTMENT OF THE ARMY
STAFF COMMUNICATIONS OFFICE

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NR: SECTO 42

PAGE 2

Yet it had been generally agreed during today's meetings that rapid activation of European divisions was essential. France, herself could produce, if devices of financing could be agreed upon, twelve ton tanks, reconnaissance cars and bazookas. He must know whether outside financing was to be available in order to place contracts now so that items could be delivered by July. He was now authorized by present budgetary limitations to order for instance only 135 tanks whereas he needed 1200. Furthermore, money was needed for basic infrastructure in France in addition to locally produced end items. He calculated that 40 billion of 270 billion franc gap would be needed for purchases in dollar area of essential raw materials to go into end items, the balance of 23 billion francs to be spent in France. He suggested that this sum could be advanced against the projected French share of 350 billion dollars presently authorized by Congress but was to be separate from French share of regular 1951 French MDAP program.

Acheson, while agreeing on urgency of solving French problem, said it raised many technical questions of both military and financial nature. For instance French military program must be approved by US military if US was to finance it. Secondly, US financial experts from various government agencies including Treasury and ECA must meet with French experts to clarify complex financial question. If both sets of experts agreed it might be possible to meet some of the French gap from already appropriated funds. It must be remembered, however, that most appropriated funds must be devoted to getting US military production pipeline going. It seemed that in order to finance rest of French financial gap we would have to go back to Congress. In order to lose no time, financial questions might be discussed by Petesche when he came here in early October.

Mohr suggested that for military aspects he might join Petesche here about October 10 in advance of Defense Ministers' meeting.

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DEPARTMENT OF THE ARMY
STAFF COMMUNICATIONS OFFICE

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NR: SECTO 42

PAGE 3

Acheson thought that sets of both financial and military experts should meet prior to arrival of Fetsche and Moch. There must be a real understanding on our side between Treasury, ECA, State and Defense as dollar financing of foreign budgetary deficits presented many real problems of an inflationary nature of US.

After further discussion in which Spofford pointed out that some of Moch's problems re production of twelve ton tanks and bazookas might be taken care of under MPPP, the following plan was tentatively adopted:

- (1) The Nitze group should continue its present work with special emphasis on these problems;
- (2) About October 1, French military and financial experts should come to Washington for parallel bilateral discussions;
- (3) About October 10 they would be joined by Moch and Fetsche who would meet with Acheson, Marshall and Snyder prior to meeting of Defense Ministers on October 16.

French then raised Indochina question. Both Schuman and Moch pointed to need to create immediately powerful national Indochinese armies due to necessity of repatriating as many French forces as possible since 20 percent of French regular officers and 40 percent of French noncoms were frozen in Indochina. There was 72,000 men presently in local armies but the desired substantial increase in this number would present budgetary problems which neither France nor the Associated States could presently meet.

It was agreed that it was too late in the day to continue this discussion and French expressed hope it could be continued tomorrow before Moch's departure.

NOTE: This message has been relayed to Paris.

ACTION: G3

INFO: CSA, G2, G4, SDIO, JCS, SEC DEF, NAVY, ONA,
OAGC, OSA, OOA

CM IN 14616

(23 Sep 50) DTG 22 Sep/1:30 am

fs/4

ML7 (Naval A. L. 39)

OFFICE OF
THE SECRETARY OF STATE
WASHINGTON

September 27, 1950

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SUMMARY OF TELEGRAMS

NORTH ATLANTIC COUNCIL.

In the seventh meeting of the North Atlantic Council yesterday, the Council approved the final communiqué and a resolution on the measures taken and planned for the defense of Europe and adjourned with the understanding that the time and place of the next Council meeting would be studied by the Council Deputies. During the discussions, the Secretary reported his meeting with the Turkish Ambassador when he communicated the Council's decision that Turkey, if it desired, could associate itself with the planning work of the organization relating to the defense of the Mediterranean. The Secretary informed the Council that, since Turkey has not replied to this invitation, no approach has been made to Greece on this subject. The Secretary then gave a brief résumé of the recent meetings of the US-UK-French Foreign and Defense Ministers. In separate statements by certain Foreign Ministers, the Danish Foreign Minister stated that Denmark agrees with the concept of defending Europe as far to the east as possible and with the integrated defense force proposed by the US, with the understanding that one of the tasks of the integrated defense force is the defense of all of western Europe including Denmark. With respect to German participation in the defense force, he stated that the Danish recognizes the need of utilizing all available forces and believe the US proposal provides the basis for German participation without reviving German militarism. He noted that the implementation of the proposals may require constitutional amendments and the Danish position is therefore subject to this condition. The Norwegian Foreign Minister stated that Norway agrees that an integrated force for the defense of Europe is a realistic and necessary step to strengthen the North Atlantic Treaty and stressed the problems of defending Norway against attack. He stated that Norway agrees in principle with German participation in an integrated defense force provided that there are sufficient guarantees to prevent resurgence of German militarism and that the West German Government desires to participate. The Portuguese representative in an involved statement indicated Portuguese agreement with German participation in the defense force and with the

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EO 12065, Sec. 3.102
Dept Guidelines, March 6, 1982
DAB NLT, Date 6-7-85

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creation of an integrated force, provided there is satisfactory agreement on a number of points regarding the relationship of the Supreme Commander and the Standing Group to the governments of the member countries not contributing forces to the integrated defense force. He noted in this regard that Portugal cannot contribute forces because of its commitments at home and overseas.

In a separate meeting held earlier with Foreign Ministers of Norway and the Benelux countries on the subject of German participation in the European defense force, the Secretary explained the progress made in the recent discussions with the UK and France. He expressed his personal belief that French Defense Minister Moch had left the meetings in a more cooperative frame of mind and that, in spite of probable difficulties in the French House of Deputies, Moch and Schuman would urge the French Government to make a favorable decision. Both the Luxembourg and Belgian Foreign Ministers noted the difficulties facing the French in reaching such a decision, with the latter stressing that we proceed slowly with the French in this connection.

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NLT (Naval Aide) 167

OFFICE OF
THE SECRETARY OF STATE
WASHINGTON

October 31, 1950

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SUMMARY OF TELEGRAMS

KOREA

Our Charge in Korea reports that on the basis of information presently available the Eighth Army intelligence section estimates that there are approximately 2,000 Chinese Communists engaged in its sector in the north and northwest part of the Korean peninsula. While the Tenth Corps had reported previously the capture of prisoners of Chinese origin, no recent information has been received with respect to Chinese participation in its area.

WESTERN EUROPE

After failing to reach a clear-cut decision on the question of the contribution of Germany to the defense of western Europe in their meetings of yesterday, the Defense Ministers of the North Atlantic Treaty countries agreed that: 1) the question would be referred to the Council Deputies and to the Military Committee, which would meet together after each group had studied separately the political and military aspects of the problem; and 2) after the joint meeting, the report would be made to the Defense Committee. In the discussions leading to this decision the Belgian Defense Minister discredited certain reports of the US plan, recommended that the French proposal be reconsidered in its first experimental stage rather than in its extreme form, and proposed a formula to reconcile the positive aspects of the US and French plans. The Minister from Luxembourg supported the Belgian thesis. The Dutch Minister stated that the Netherlands accepted the principle of German recruitment at the division level and deeply regretted French inability to agree and expressed the fear that the French proposal endangered the timely build-up of an adequate European defense. The UK and Italian Defense Ministers made a strong stand in behalf of the US plan. The Norwegian Minister stressed that Germany must make a real contribution to the common defense and that such a contribution must make sense militarily. He felt that the political aspects of the problem would be left to the Council. The Canadian representative expressed the fear that the status of the Germans under the French proposed integrated army would be such as to prevent German popular

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E.O. 12065, Sec. 3.412 . 1082

State Dept. Guidance 11-10-10

By JACB NIT 11-10-10

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support, which he felt was essential. General Marshall stated that we were aware of the possible hazards of German rearmament and that we were ready to consider any plan but desire that it be a realistic military plan. Marshall said that, while the solution of the problem may not be on the basis of the US proposal as submitted, the results of the meetings must be militarily realistic and give us assurance of possible successful action in the case of an emergency in the near future and assurance of probable successful action in the event of emergency at a later date. French Defence Minister Moch maintained the position throughout the meetings that he was under instructions to discuss all details of the French proposal but must refuse any kind of German rearmament if the French principles were not accepted.

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OFFICE OF
THE SECRETARY OF STATE
WASHINGTON

DECLASSIFIED

E.O. 12065, Sec. 3.402
State Dept Guidelines, March 4, 1982
By DCB DATE 6-10-83
November 10, 1950

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SUMMARY OF TELEGRAMS

WESTERN EUROPE

We have informed our missions in the North Atlantic Treaty (NAT) countries of our concern over the view expressed by Belgian Foreign Minister Van Zeeland that the task of the other NAT partners is one of reconciling differences between the US and French positions on western European defense. We stressed that this view does not correspond with reality and pointed out that virtually all of the NAT members in the Defense Committee meetings indicated the belief that the French plan was militarily unsound, politically impossible of realization, and therefore does not address itself to the most vital and urgent problem which confronts the NAT members--the rapid build-up of an effective European defense system. We believe that the immediate task of all NAT members is to find a solution to this problem and that the following criteria must be met by any compromise solution: 1) that the plan is militarily sound; 2) it is acceptable to all NAT members and to Western Germany; and 3) it is capable of immediate implementation and does not depend upon a series of conditions which may never be realized or might take many months to work out. We believe therefore that a decision cannot be made to hold a meeting of the NAT Council until the Deputies and the Military Committee have concluded their work on the problem of German participation, since a Council meeting which ended in another deadlock would be unfortunate from every viewpoint.

approved
HST

KOREA

Our Charge in Seoul reports that there has been a considerable decrease in the movement of vehicles southward across the Yalu River from Manchuria and that the Chinese forces in the Eighth Army sector have apparently withdrawn northward for regrouping with North Korean remnants. Our Charge comments that, while it is difficult to determine Chinese Communist intentions on the basis of information currently available, Chinese intervention thus far cannot be regarded as of a direct and open nature or as an all-out continuous effort on the part of the Chinese Communists. He states that the Chinese have suffered severe losses and their failure to follow up early successes and their defensive attitude during the past few days suggest that any plans they may have had for all-out intervention may have been modified.

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OFFICE OF
THE SECRETARY OF STATE
WASHINGTON

November 17, 1950

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SUMMARY OF TELEGRAMS

WESTERN EUROPE

On the basis of discussions with the North Atlantic Council Deputies and a conference with Ambassadors Douglas and Bruce and High Commissioner McCloy on Department proposals, our Deputy on the North Atlantic Council has proposed a course of action for reaching agreement on the question of German participation in western European defense. He believes that the greatest prospect for early agreement appears to lie in separating immediate military arrangements from the discussions of a political superstructure for western Europe as proposed by the French. He feels it might be possible to obtain French agreement immediately to the essentials of US military proposals, including participation of German units up to the regimental-combat-team level, if our proposals: 1) were termed provisional in certain respects; 2) provided that during a "transitional" period strong NAT or tripartite controls would be maintained over the recruitment of German manpower and the procurement of German material; and 3) provided that we would encourage the convening of the interested European powers to negotiate with respect to a western European political superstructure, such negotiations to be held during the transitional period. He suggests that a prior understanding could be reached that the provisional arrangements adopted would continue until superseded by arrangements developed within the framework of an agreed European political structure, if established. If the French should feel to obtain agreement from the other powers to establish these political institutions, the provisional arrangements would either become final or could be modified as necessary.

Our Deputy believes that this course of action should appeal to the Germans since the essential arrangements are frankly provisional and do not involve any acceptance of French leadership, and that it should meet our views since it would permit the essentials of the US plan to be adopted immediately. He points out that while the French reaction to this proposal cannot be accurately judged, our encouragement of negotiations for a European political structure might provide sufficient inducement for the French to accept the proposals. He comments that, although the smaller NAT nations may be reluctant to enter into such negotiations, they should be willing to do so as long as they are

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not being subjected to the pressure of the present military situation to force them into line; furthermore, they should be satisfied with the provisional arrangements since these arrangements would permit the immediate establishment of an integrated defense force.

FAR EAST

Although there is a tendency in the Indian Government itself to discount the accuracy of reports from Pannikar, Indian Ambassador in Peiping, Ambassador Henderson in New Delhi has been handed in strictest confidence an extract from a report from Pannikar to the effect that the Chinese Communist delegation proceeding to the UN has been given wide powers to discuss the entire question of Korea as well as the Formosa issue. Pannikar says that the Chinese Communist authorities are anxious to secure a peaceful settlement of the Korean question but only on the condition that they are a party to the settlement. Pannikar conveyed his impression that the Chinese representatives would be agreeable to settling the Korean question through discussions outside the Security Council, since they hold firmly to the view that the original Council resolution on Korea is invalid because they and the Soviet Union did not participate in the action. Pannikar also understands that the Chinese Communist representatives will be willing to discuss other general issues with the representatives of UN members including the US. The Indian official in making this information available commented that this report was so different from others received from Pannikar that he hoped Communist China was commencing to have more sober thoughts about the possibilities of a third world war.

OFFICE OF
THE SECRETARY OF STATE
WASHINGTON

November 20, 1950

DECLASSIFIED
EO 12958, Sec. 2.402
State Dept. Guidelines, March 6, 1992
By: DER NLT, Date 6-12-81~~TOP SECRET~~
SUMMARY OF TELEGRAMSWESTERN EUROPE

We have instructed our Deputy on the North Atlantic Council on the position he should take in the meeting of the Council Deputies today on the question of German participation in western European defense, which concurs in general with the course of action he had proposed but provides additional guidance with respect to: 1) the size of the German units to be contributed; 2) the need for the early appointment of a Supreme Commander; and 3) the timing of various steps for the creation of a defense force. Our Deputy is to make it clear that nothing less than units of the minimum effective size, which in our view is a division, will be acceptable for integration into the NATO defense force; however, during the transitional period the German contribution could be in terms of smaller units provided it is clearly understood that these units must be assembled into divisional units for effective use as soon as the Supreme Commander determines that this is necessary. During the buildup phase, recruitment and training of German units, not carried out by the Supreme Commander, would be performed by a German Federal Agency controlled by the High Commissioners with the control of production and supply of pertinent military material being vested in the appropriate North Atlantic Treaty (NAT) agencies. While we would agree that the French would convene the European powers to negotiate on the creation of European political institutions and the eventual integration of military forces of a European rather than a national character into the NAT integrated force, integration of such forces would have to be contingent upon the European contribution being militarily effective. If the French should fail to obtain agreement on these political institutions by the time the Supreme Commander has determined that a decision with respect to the disposition of German units is required, it will be necessary for military reasons to proceed with the grouping of German units into German units of minimum effective size. This action would be without prejudice to future success which

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the French would have in implementing their proposals. In the meantime the situation undoubtedly will be clarified with the appointment of the Supreme Commander.

In discussing these proposals informally with French Deputy Alphand, our Deputy received the impression that: 1) Alphand is in favor of some transitional arrangement and felt that US and French views were developing along the same lines; 2) the French will want strong support from us for their efforts in the direction of a European army and political institutions; 3) as part of the transitional plan, the French will probably attempt to obtain a quick transfer of responsibility for German recruitment and training to a European High Commissioner before the rest of the political superstructure is worked out and to condition the size of units to some definite point of progress in the development of the political superstructure; and 4) while the size of the military units will continue to be a difficult program, it should not be insoluble if other points of issue can be resolved.

Meanwhile, Ambassador Bruce in Paris has expressed the view that greater attention should be given to the morale and psychological values involved in the French position, pointing out that French Foreign Minister Schuman is deeply convinced that the political features of the Pleven plan offer the only real hope for safely incorporating western Germany into the society of free nations. He believes that we cannot afford to take a position that what the French might do toward the realization of the broad plans of the Pleven plan is a matter of indifference to us. On the contrary, he believes that, if we accept the principle of further integration of Europe through military efforts, we should reaffirm to the French and to their potential partners in the formation of a European army that we would regard with great favor the carrying out of the plan for an integrated European army provided a mode of operation could be found which would be militarily effective and would not delay the rearmament of the NAT countries and western Germany.

DEPARTMENT OF STATE
WASHINGTON

December 18, 1950

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MEMORANDUM FOR THE PRESIDENT

Subject: Suggestions of the Departments of State and Defense
for Procedure in Connection with Brussels Conference

The Departments of State and Defense suggest for your approval the following procedure in connection with the establishment of the European Defense Force and the designation of General of the Army Dwight D. Eisenhower as the Supreme Allied Commander, Europe:

(1) The North Atlantic Council will on Monday approve action by the North Atlantic Defense Committee regarding the contribution of Germany to the defense of Western Europe and the creation of an integrated European Defense Force, the establishment of a Supreme Headquarters in Europe, and the reorganization of the North Atlantic Treaty Organization military structure.

(2) As part of the Council action establishing the Integrated Defense Force and the Supreme Headquarters, it is expected that a resolution will be adopted requesting the President of the United States to designate a U. S. Officer to take the position of Supreme Allied Commander, Europe. At the same time the resolution will express the hope that you will favorably consider General Eisenhower for the position.

Upon taking this action it is Secretary Acheson's intention to request a recess, during which time he will communicate with you in order to secure your designation of General Eisenhower for the stated post. A copy of Secretary Acheson's proposed telegram to you transmitting this request is attached (Attachment A). It is expected that this message will be received Monday afternoon. Following receipt of Secretary Acheson's message you may wish to call General Eisenhower to inform him of your intention to designate him. A draft reply which could be sent Monday night for use at the Tuesday morning session at the Council is attached (Attachment B).

(3) Following

DECLASSIFIED

E.O. 12958 SEC. 1.2
DATE 10-12-79
BY SP-10 JMS

~~TOP SECRET~~

B

110

~~TOP SECRET~~

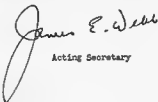
- 2 -

(3) Following this consultation, Secretary Acheson would announce to the Council that you have designated General Eisenhower as the Supreme Allied Commander, Europe.

It is recommended that you release these two telegrams to the press for publication Tuesday morning, December 19.

The Departments of State and Defense request your approval for release by the White House of the attached letter from you to General Eisenhower. This letter designated General Eisenhower as the Supreme Allied Commander, Europe. It further assigns him operational command over United States armed forces in Europe (Attachment C).

The letter to General Eisenhower would be released to the press on Wednesday morning, December 20, 1950.

James E. Webb

Acting Secretary

Enclosures:

- A-Telegram from Secretary to President
- B-Telegram from President to Secretary
- C-Proposed Letter from President to General Eisenhower

~~TOP SECRET~~

TELEGRAM FROM THE PRESIDENT TO THE SECRETARY OF STATE,
CODE WORD: UNITY

Pursuant to the request of the North Atlantic Council that I designate a U.S. Officer to take the position of Supreme Allied Commander, Europe, I have designated General of the Army Dwight D. Eisenhower. In taking this action I wish to express both my gratification and agreement with the view of the North Atlantic Council that General Eisenhower's experience and talents make him uniquely qualified to assume the important responsibilities of this position.

DECLASSIFIED

E.O. 12065
STATE DEPARTMENT 6-13-79
BY: [signature] NARS, DWS 11-30-79

~~SECRET~~

TELEGRAM FROM SECRETARY OF STATE TO PRESIDENT,

CODE WORD: COURAGE

The North Atlantic Council today completed arrangements for the establishment of an integrated European defense force. This plan provides that the Supreme Allied Commander, Europe be a U.S. Officer. The Council has asked me to transmit to you its request that you designate a U.S. Officer to take this position. At the time this action was taken the members of the Council expressed the high regard in which their Governments hold General of the Army Dwight D. Eisenhower and expressed their hope that you will find it possible to give favorable consideration to his unique qualifications for the position of Supreme Allied Commander, Europe.

~~SECRET~~



Proposed Letter from The President to General Eisenhower

General of the Army Dwight D. Eisenhower
United States Army

The North Atlantic Treaty Nations have agreed on the defense organization for Europe and at their request I have designated you as Supreme Allied Commander, Europe. I view their request as an earnest that their support of your efforts will be complete and unequivocal.

I need hardly say that you are undertaking a tremendous responsibility for which history records no comparable precedent. In simple words, you are charged with the defense of the cradle of western civilization.

I understand that the Standing Group of the North Atlantic Treaty Organization will shortly issue a directive to you concerning your responsibility and authority as the Supreme Allied Commander, Europe.

You are hereby assigned operational command, to the extent necessary for the accomplishment of your mission, of the U.S. Army Forces, Europe; U.S. Air Forces, Europe; and the U.S. Naval Forces, Eastern Atlantic and Mediterranean.

Subject to overriding requirements of the North Atlantic Treaty Organization, Europe, the missions, routine employment, training and administration of these forces will continue to be handled through command channels heretofore existing.

You are authorized officers and enlisted personnel of the U.S. Armed Forces, as well as civilian employees of the Departments of the Army, Navy and Air Force, for your Staff in such numbers and grades as you consider necessary.

I am sending a copy of this letter to the Secretary of Defense for his guidance and necessary action by the Department of Defense.

As President and Commander-in-Chief of the Armed Forces of the United States, I feel certain that our entire country is wholeheartedly behind you and will support you to the maximum. Needless to say, you carry with you the prayers of all freedom-loving peoples and my warmest personal good wishes.

DECLASSIFIED

E.O. 12065
STAT GUINLINE 46-12-79
DECLASS. AUTH. DATE 11-28-79

DEPARTMENT OF STATE
WASHINGTON

December 19, 1950

~~TOP SECRET~~

MEMORANDUM FOR THE PRESIDENT

Subject: Action at Brussels on Supreme Commander
and Integrated Force.

There are attached two telegrams from the Secretary of State to you giving the full text of the two resolutions adopted yesterday by the North Atlantic Treaty Council. They provide for the establishment of an integrated force in Europe and request you to appoint General of the Army Dwight D. Eisenhower as its Supreme Commander.

There is also attached a telegram from the Secretary of State to you summarizing the discussion on these resolutions at the Council meeting.

These documents describe the action in Brussels on the basis of which your action in designating General Eisenhower was taken.

James E. Webb
Acting Secretary

Enclosures:

1. Telegram No. 905 from Brussels.
2. Telegram No. 906 from Brussels.
3. Telegram No. 908 from Brussels.

DECLASSIFIED

4.0.12065 JAC III ~~TOP SECRET~~
STATE CHIEF OF BUREAU 44-4701-0101
BUREAU OF RECORDS, DATE 4-27-79

Department of State

TELEGRAPH BRANCH
~~CONFIDENTIAL~~

Control: 8538
 Date: December 18, 1950
 7:51 p.m.

FROM: Brussels

TO: Secretary of State

RE: 985, December 18, 10 p.m.

VERBATIM TEXT.

FOR PRESIDENT FROM ACHESON.

Following adoption of resolution reported EMSTEL 983 December 18, 9 p.m. NA Council this afternoon unanimously adopted following resolution proposed by Canadian representative and requested that I convey message to you.

"The Council, having agreed with the recommendation of the Defense Committee that a Supreme Allied Commander, Europe, should be appointed as soon as possible as an essential action in proceeding with the prompt establishment of an effective NATO defense force in Europe;

"Recognizing that the ultimate success of such a force lies in its sound initiation and that, for this reason, the selection of the first supreme commander is a question of the utmost importance;

"Reposing the greatest faith in General of the Army Dwight D. Eisenhower as a commander of incomparable prestige, proven ability, and the highest order of leadership;

"Unanimously recommends to the President of the United States that he designate General of the Army Dwight D. Eisenhower as the first Supreme Allied Commander, Europe."

MURPHY

KML:MMG

DECLASSIFIED

6-9-12-65
 STATE DEPARTMENT 6-12-79

By AMT-HL 10/23, 1994 11-20-79-2000

REPRODUCTION OF

TELEGRAPH BRANCH

~~CONFIDENTIAL~~

Cont: 8608

Rev. December 18, 1950
9:55 p.m.

FROM: Brussels

TO: Secretary of State

RE: 986, December 18, 10 p.m.

DECLASSIFIED

2.0. 12.06
STATE GUIDANCE 6-11-79
NORTH ATLANTIC COUNCIL, Dec 12-12-79

FOR THE PRESIDENT FROM ACHESON.

VERBATIM TEXT.

North Atlantic Council adopted following resolution at meeting this afternoon.

"Convinced that recent developments in the international situation have increased the urgency of establishing the integrated force for the defense of Western Europe, including Western Germany, envisaged by the Council in its resolution of 26 September 1950 (C5-D/11 final);

"Having considered the report of the Defense Committee on this matter;

"Approves:

"The Defense Committee's report, including the measures proposed therein to establish the integrated force and the terms of reference for the supreme commander attached thereto. In this connection the members of the North Atlantic Council, speaking on behalf of their governments, indicate that it is the intention of their governments to proceed along the lines outlined in this paper in order to achieve its purposes;

"Authorizes:

"The implementation of the recommendations therein for the necessary reorganization of the NATO military structure to provide for the integrated force and its supreme commander;

"Agrees:

"That the integrated force is to be constituted, and the

~~CONFIDENTIAL~~

supreme

REPRODUCTION OF
UNCLASSIFIED COPY

12/19/50, 8 a.m.
CORRECTED PAGE 2
CONTROL 8006

-2- #986, December 18, 10 p.m., from Brussels.

supreme commander appointed, at the earliest possible date;

"Requests:

"(A) The Government of the United States to designate an officer of its armed forces to fill the position of supreme commander of the integrated force.

"(B) The parties to the North Atlantic Treaty to take immediately all practicable steps to have ready, as set forth in the medium term defense plan, and in part 4 of the report of the Defense Committee, their initial contribution to the force or the request of the supreme commander and concurrently consider ways and means of rapidly effecting completion of the requisite additional national contributions to the strength of the force."

MURPHY

TT:RFB

File

TELEGRAPH BRANCH

FROM: Brussels

TO: Secretary of State

RE: 988, December 19, 5 a.m.

Control: 8698
Sent: December 19, 1950.
6:04 a.m.

DECLASSIFIED

E.O. 12958 SEC. III
STATE CH. OF LINE 642-79
DATE 10-16-2000 BY 1042

FOR PRESIDENT AND VEBB FROM ACHESON.

North Atlantic Council with Defense Ministers present opened first meeting sixth session December 18 with Van Zeeland in chair and approved agenda covering (1) German contribution to defense of West, (2) integrated European defense force, (3) survey of world situation, (4) report by Deputies, (5) other business, and (6) communique.

In taking up first agenda item Van Zeeland read letter from Pace as chairman Defense Commission transmitting joint report Military Commission and Deputies re German contribution (C6-D/1 or DC 29/1). Belgian Defense Minister raised point that occupying powers in seeking reach agreement with Germany might go beyond framework NAT document and they should therefore not only keep Council informed but should seek Council approval action taken. Bevin agreeable keeping NATO informed but thought it useful secure in advance from other Ministers their views on appropriate German settlement. No comments offered re this request. Schuman said he agreed entirely Belgian proposal. Acheson said if proposal meant occupying powers not to go outside NATO approved framework, he entirely agreeable, but if comment implied limits on range of action occupation powers he was opposed. Belgian Defense Minister said he merely sought clear interpretation of text and if occupation powers did not go beyond approved provisions he was satisfied. This interpretation accepted and paper unanimously approved.

Van Zeeland then read Pace letter recommending adoption Defense Commission report on integrated forces (DC 24/3 and C6-D/2). Schuman inquired as to authority by which other senior staff officers would be named to supreme Headquarters. Pace replied these officers would be appointed by supreme commander although he would have to consult member governments in process.

(over)
REPRODUCTION OF THIS
MESSAGE IS PROHIBITED

-2- #988, December 19, 5 e.m. from Brussels.

in process. Bevin inquired as to whether Defense Commission had date in mind in urging prompt action on integrated forces and appointment supreme commander. Acheson replied that text of document stated supreme headquarters should be established urgently and commander appointed forthwith.

Discussion followed on organizational questions. Portuguese representative raised question whether power given to Deputies transmit policy guidance to SG for supreme command gave new authority to Deputies. Norwegian representative said New York agreements clear as to limits of authority and must be accepted as basic guide. Proposal to use Deputies was essential, but it should be clear political views were those of governments and Deputies were merely channel of communication. Dutch and Danes agreed this comment. Belgium also proposed chairman of Military Representatives Commission be member SG. After some discussion it was agreed this question should be deferred without prejudice to immediate action under present draft and that all organizational questions would be studied by Deputies on basis experience. Belgian Defense Minister accepted this but seconded by Sforza urged that concept of single chairman SG and Military Representatives Commission definitely be considered provisional. This agreed.

Van Zeeland then introduced resolution approving integrated force and supreme commander. Schuman and Bevin raised questions as to how appointment supreme commander should be approved by NATO. Acheson said resolution asks US fill position which we would hope to do by Tuesday at which time Council could consider further steps it might wish take. In this connection US would welcome views other government. Moch said if US this far along it meant NATO on verge taking very important step. He would like urge on US designation of Eisenhower which would be welcomed with joy and enthusiasm by free world. Canada, UK, Italy, Norway, Portugal and Denmark seconded this nomination with expressions highest esteem.

Schuman reverted to question of method by which other governments could register approval and associate themselves in investiture supreme commander. Lange suggested each Defense Minister might address letter supreme commander expressing willingness place national troops under his command, which was accepted subject to Moch proposal that letter should be addressed Council chairman. Resolution then adopted by Council (EMBTEL 986), following which Ministers unanimously adopted second resolution proposed by Canadians endorsing name of Eisenhower to US President (EMBTEL 985).

After

~~TOP SECRET~~

-3- #988, December 19, 5 a.m. from Brussels.

After some discussion means of drafting communique and necessity for maintaining secrecy on day's action until final communique issued, Council asked Deputies meet to draft (1) brief noncommittal interim communique and (2) final communique for issuance Tuesday.

Next meeting scheduled 10 a.m. December 19.

MURPHY

SMD:MW

NOTE: Passed Department of Defense 12/19/50, 9:30 a.m. NRM.

~~TOP SECRET~~

~~TOP SECRET~~



DEPARTMENT OF STATE
OFFICE OF THE SECRETARY
WASHINGTON

December 20, 1950

MEMORANDUM FOR MR. WILLIAM J. HOPKINS
THE WHITE HOUSE

I am attaching herewith copies of two telegrams from the Secretary, addressed to the President for his information. I would appreciate it if you would see that these come to the President's attention.

W. McWilliams

J. McWilliams
Director, Executive Secretariat

Enclosures:

No. 1004, December 19 from Brussels
No. 1003, December 19 from Brussels

DECLASSIFIED
E.O. 12865
STATE GUIDELINE 6-12-79
DATE 11-29-79

IMMEDIATE RELEASE

OCTOBER 4, 1949

STATEMENT BY THE PRESIDENT

I have just signed the Mutual Defense Assistance Act of 1949. This is a notable contribution to the collective security of the free nations of the world. It is one of the many steps we are taking with other free peoples to strengthen our common defense in furtherance of the principles of international peace and order enshrined in the Charter of the United Nations.

The dominant objective of our foreign policy is to create peaceful and stable conditions throughout the world, so that men may lead happier and more fruitful lives. This objective cannot, however, be achieved if the economic efforts of free men are overshadowed by the fear of aggression. By strengthening the common defense this Act will do much to allay that fear. The security which this Act offers will aid in promoting the economic welfare of the free nations and in restoring their confidence in a peaceful and prosperous future.

Since the ratification of the North Atlantic Treaty, the countries of the North Atlantic community have made considerable progress in working together for their mutual security. Their combined activity will do much to increase the effectiveness of the assistance to be provided under this Act. Further progress in these arrangements for the common defense will make it possible to provide the full measure of protection which this Act offers to this country and other nations.

Recent developments in the field of armaments have strengthened the free nations in their adherence to the principle of a common defense -- the principle that underlies this Act. By emphasizing the common determination of free nations to protect themselves against the threat or fear of aggression, the Mutual Defense Assistance Act will strengthen the peace of the world.

This Act is necessary only because of the unsettled conditions of the world today which we, in concert with many other nations, are striving to overcome. It is my belief that we shall be successful in these efforts to achieve international understanding and to establish, in accordance with our national policy, effective international control and reduction of armaments, through the United Nations.

~~SECRET~~

-2- 1003, December 19, Midnight, from Brussels.

arrangements concerning this government.

"(B) In working out the relationship contemplated in (A) above, every effort should be made to explore with the Germans the problems involved, so that the final plan will be mutually satisfactory.

"(C) The arrangements in (A) above should cover all aspects of these relations, except such problems as can be resolved only in a peace settlement.

"(D) Commitments made by Germany through its adherence to international statutes or organizations would render possible the relinquishment of occupation controls.

"Certain of the subjects covered by contractual arrangements with Germany will involve countries other than the occupying powers. The study group should identify these subjects and should submit recommendations as to the procedure to be followed in dealing with them."

Department will be given fuller report on return Washington and summary minutes will be pouched other addressees. Tripartite communique on Germany released here will be telegraphed in clear separately.

MURPHY

JAX:MSP

~~SECRET~~

INCOMING TELEGRAM

Department of State

TELEGRAPH BRANCH

~~TOP SECRET~~

Control: 5253

Ref: December 20, 1950
4:35 a.m.

FROM: Brussels

TO: -Secretary of State

RE: 1004, December 19, Midnight

DECLASSIFIED

E.O. 12065, SEC. III
STATE EXCLUDED 6-12-79
BY 6032-JAL, NAL, Ex-8-10-79

FOR PRESIDENT AND WEBB FROM ACHESON.

At beginning second meeting sixth session NA Council this morning Acheson read Truman telegram on designation of Eissenboser, and Van Zeeland as chairman requested Acheson convey Council's thanks to President. Moch proposed (1) endorsing investiture of Supreme Commander which was approved and signed during meeting and (2) latter to be sent by each Defense Minister to chairman indicating willingness place troops under Supreme Commander. This agreed in principle though constitutional rules all countries did not permit completion action during meeting.

Acheson then stated that while NATO had just made tremendous stride forward it still had long way to go. Council should not rest on basis this accomplishment but should use occasion as opportunity for moving ahead. Necessary steps were: (1) place under Supreme Commander forces already in being, which US prepared to do with forces already in Europe before end of day; (2) increase available forces as soon as possible; and (3) increase industrial production on urgent basis in order supply troops. He noted that US had already taken great steps in latter regard with designation and authority given Charles E. Wilson. Some similar step appeared necessary in Europe. In this effort stimulate production US prepared help in any way possible.

Moch made statement French intention immediate transfer present troops in Germany to Supreme Commander and efforts build up size present forces, which led Sforza state this fine statement but all in military field. He indicated great need, as Acheson pointed out, was in economic field. This could only be accomplished, and Europe could only be prepared meet threat of Communism and of resurgent Germany, if it took effective steps together toward building ordered Western Europe. Bevin said it appropriate US should raise

production question (over)

~~TOP SECRET~~REPRODUCTION OF THIS
MESSAGE IS PROHIBITED

-2- #1004, December 19, Midnight, from Brussels.

production question immediately after appointment Supreme Commander. It was important increase production and important move forward promptly without waiting for answers all theoretical questions. For his part he was authorized state on behalf of government that UK would increase defense preparation in order assist free nations build their defense forces.

Similar statements made by Denmark, Portugal, Canada, Belgium. Danish representative paid particular tribute US efforts and healthy effect this will have on Europe, and pointed out importance in terms of building defense forces of assuring German participation in which he felt US contribution would be especially effective. Portuguese Minister said his country had accomplished much internally and would be glad accomplish more, but pointed out special position of Portuguese and their interest in seeing satisfactory steps taken Iberian Peninsula. Claxton for Canada emphasized that Europe takes first place in global strategy and that area of NATO first line of defense against USSR which was why Canada so anxious see wasteful hostilities in Korea ended. Van Zandael said he, like others convinced that after recent tragic events peace can only be saved by building strength rapidly. He felt that all normal time lags had to be telescoped and men responsible for production given great stimulus.

Meeting at 12:20 for an hour while Foreign Ministers and Defense Ministers presented at royal palace, following which Spofford presented report of Deputies. In general discussion which followed Stikker raised raw materials problem, pointing out that earlier NATO deliberations and present OEEC efforts had been confused by tripartite board set up as result Truman-Attlee talks. He stated that raw materials urgently needed to increase present defense forces and could not be handled as problem separate from NATO and OEEC efforts. Norwegian, Belgian, Italian and Portuguese Foreign Ministers all associated selves strongly these remarks. Acheson stated it necessary raw materials question deal with both producing and consuming countries and not with any particular political group. US and UK merely interested in getting job done on urgent basis and it would have to be done differently for each commodity. He gave assurances seconded by Bevin that there would be no sacrifice of NATO-OEEC principles. Stikker took exception to implication US-UK-France had set up new body. He said it was not question of consultation with NATO and OEEC but fact they could not recognize any other body in this field. Lange added that while he appreciated necessity prompt action he felt this could be secured through London organization. He suggested matter might be referred to Deputies for consideration, but Bevin objected on grounds NATO approach would cause difficulty with producing countries

not members

-3- #1004, December 19, Midnight.

not members of NATO. He suggested instead that US, UK and France should consult with NATO and OEEC on question. Stikker and Claxton both opposed this in favor of consideration by Deputies. Acheson expressed agreement. He said most of difficulty resulted from confusion. So far there was no new organization created. As result Truman-Attlee talks three powers were merely exploring problem, and there was yet no agreement that more countries might not be brought into preliminary phase. Bevin indicated he would accept referral to Deputies although his present instructions prevented him from accepting anything but three-power solution to raw materials question. Also indicated Acheson's statement did not accord his version Truman-Attlee discussions.

At close of meeting Claxton raised resolution referring Canadian reorganization proposal back to Deputies for study and report, which was adopted. Council then discussed communique, and adjourned 3:20 p.m.

MURPHY

SMD:RFB

NOTE: Replied to Defense 6 a.m., 12/20/50, (EJH).

~~SECRET~~

66
North Atlantic
Treaty
DECEMBER 21, 1950

STATEMENT BY THE PRESIDENT

The Secretary of State this morning gave me a full report of his meeting in Brussels with the Foreign Ministers and Defense Ministers of the North Atlantic Treaty countries.

I was greatly encouraged to hear from the Secretary of the serious way in which the representatives of the North Atlantic countries went about the job of bringing to life the military and economic agencies of the North Atlantic community.

The Secretary reported that the appointment of General Eisenhower as Supreme Allied Commander, Europe, greatly heartened and inspired the European nations who see in it new proof of the firm intention of the free nations to stand together.

Within the next few weeks the soldiers in Europe of the members of the North Atlantic community will be training together. Many of our hopes have now become facts with all that this means for the defense of the free world.

The Secretary also reported on his informal conversations with French Foreign Minister Schuman and British Foreign Minister Bevin. These conversations resulted in full agreement on how the three governments, pursuant to the North Atlantic Council's decision, would take up with the German government the problem of German contributions to the defense of Western Europe.

I am in full agreement with the Secretary that the spirit shown by the countries of Western Europe has justified our confidence that the free states of Europe mean business about setting up our common defense system. The success of this meeting will be a matter of great satisfaction to all the American people.

Let there be no mistake about it -- the unity of the nations of Western Europe and of the North Atlantic area is vital to their security and to ours.

First copy filed PP71-2

persistently ignored and violated by one nation.

The Congress is also familiar with the developments concerning the United Nations. Most of the countries of the world have joined together in the United Nations in an attempt to build a world order based on law and not on force. Most of our members support the United Nations earnestly and honestly, and look to make it stronger and more effective.

One nation, however, has persistently obstructed the work of the United Nations by constant abuse of the vote. That nation has voted 21 propounds for action in a little over two years.

But that is not all. Masses and masses of hostilities, the Soviet Union and its agents have destroyed the independence and democratic character of a whole series of nations in Eastern and Central Europe.

It is this reckless course of action, and the clear design to extend it to the remaining free nations of Europe, that have brought about the critical situation in Europe today.

The fright death of the Republic of Czechoslovakia has shed a shock throughout the civilized world. Now pressure is being brought to bear on Finland, to the south of the entire Scandinavian peninsula. Greece is under direct military attack from rebels actively supported by her Communist dominated neighbors. In Italy, a determined and aggressive effort is being made by a Communist minority to take control of that country. The methods vary, but the policies are all too clear.

Faced with this growing menace, there have been encouraging signs that the free nations of Europe are drawing closer together for their economic well-being and for the common defense of their liberties.

In an economic field, the urgent need for mutual self-help in future conditions essential to the preservation of free institutions is well understood. In Paris, the sixteen nations which are cooperating in the European Recovery Program are meeting again to establish a joint organization to work for the economic restoration of Western Europe.

The United States has strongly supported the efforts of these nations to repair the devastation of war and restore a strong world economy. In presenting this program to the Congress last December, I emphasized the necessity for speedy action. Every event in Europe since that day has underscored the great urgency for the prompt adoption of this measure.

The Soviet Union and its satellites were invited to cooperate in the European Recovery Program. They rejected the invitation. More than that, they have declared their vicious hostility to our program and are persistently attempting to wreck it.

They see in it a major obstacle to their designs to subjugate the free community of Europe. They do not want the United States to help Europe. They do not even want the sixteen cooperating countries to help themselves.

While economic recovery in Europe is essential, necessary for economic rehabilitation alone are not enough. The free nations of Europe realize that economic recovery, if it is to succeed,

DRAFT

THE WHITE HOUSE

Washington

My dear Admiral Fechteler:

The North Atlantic Treaty Nations have agreed that a Supreme Allied Commander, Atlantic, should now be appointed and have requested that I designate a United States officer. I have designated you for this new international command which embraces a large area under the North Atlantic Treaty Organization.

I am informed that the Standing Group of the North Atlantic Treaty Organization will issue a directive to you concerning your responsibilities and authority as the Supreme Allied Commander, Atlantic.

You are hereby assigned operational command, of the United States Armed Forces assigned to the U. S. Atlantic Command, to the extent necessary for the accomplishment of your mission.

You are hereby authorized to use officers and enlisted personnel of the U. S. Armed Forces and civilian employees of the U. S. Government, on your staff as you consider appropriate in numbers and grades as necessary.

I am sending copies of this letter to the Secretary of State and to the Secretary of Defense for their guidance.

In designating you as one of the Supreme Allied Commanders in the North Atlantic Treaty Organization, I am sure you have the confidence of our own country and the confidence of the other member nations of the NAT Organization. I consider it an honor to the United States that these member nations have requested us to designate a United States officer for this position. As President of the United States and Commander-in-Chief of this country's Armed Forces, I have suggested your name for appointment to this high office with pleasure, and I wish you every success as the first Supreme Allied Commander, Atlantic.

Very sincerely yours,

D R A F T

THE WHITE HOUSE

Washington

My dear Admiral Fechteler:

The North Atlantic Treaty Nations have agreed that a Supreme Allied Commander, Atlantic, should now be appointed and have requested that I designate a United States officer. I have designated you for this new international command which embraces a large area under the North Atlantic Treaty Organization.

I am informed that the Standing Group of the North Atlantic Treaty Organization will issue a directive to you concerning your responsibilities and authority as the Supreme Allied Commander, Atlantic.

You are assigned hereby operational command, to the extent necessary for the accomplishment of your mission, of the United States Armed Forces assigned to the U.S. Atlantic Command.

Put this phrase at the end of the sentence

You are authorized hereby to ^{use} ~~have~~ officers and enlisted personnel of the U.S. Armed Forces, ^{and} ~~civilian~~ civilian employees of the U.S. Government, ^{on} ~~as~~ your staff in numbers and grades as you consider appropriate, as necessary.

I am sending copies of this letter to the Secretary of State and to the Secretary of Defense for their guidance.

In designating you as one of the Supreme Allied Commanders in the North Atlantic Treaty Organization, I ^{assure} [assure you that] you have the ~~complete~~ confidence of our own country and ~~also, I am certain,~~ the [complete] confidence of the other member nations of the ^{NAT} Organization. I consider it ^{an} ~~a~~ ~~distinct~~ honor to the United States that these member nations have requested me to designate a United States officer for this position. As President of the United States and Commander-in-Chief of this country's Armed Forces, I ^{suggested} have ~~put forward~~ your name for appointment to this high office with ~~greatest pleasure~~ pleasure, and I wish you every success as the first Supreme Allied Commander, Atlantic.

Very sincerely yours,

Department of State

TELEGRAPH BRANCH

~~SECRET~~

Control: 9108
 Recd: September 20, 1951
 3:14 a.m.

FROM: Ottawa

TO: Secretary of State

NO: SECTO 25, Sept 19, midnight.

NIACT.

FOR THE PRESIDENT FROM SECRETARY.

Council session has been noteworthy for harmony and for increasing sense cooperation between PC's. While difficulties coordinating fully govt actions twelve sovereign countries remain great, community spirit developing and US leadership always recognized as unavoidable is increasingly accepted. I was especially pleased by comments rape of Den and Iceland with whom we recently concluded basic agreements. Both expressed full appreciation for manner in which US conducted negotiation and paid homage to democratic sense equality which US displayed notwithstanding huge discrepancy size and power of parties.

Ottawa session also significant as first NAC attended by DEFMIN and FINMIN as well as FONMINS in accordance with last spring's reorganization of NATO structure. While presence of so many Mins somewhat delayed proceedings, I believe distinct benefits will be derived from this personal participation of three senior Cabinet officials each govt. This should lead to broader understanding complexity of our security tasks. There has been minimum speaking for record and all have displayed real desire come to grips with problems.

It is, of course, too soon fully assess result of session as only ends tomorrow. In judging results to date you should bear in mind the objectives which we had set for ourselves at this session. Primary purpose was obtain favorable action on admission Greece and Turkey. In addition, we wished pave way for acceptance by exec branches of NATO govt of solid military plan at subsequent NAC in Rome. Our third major objective was reassure our NATO allies increasingly fearful that US considered NATO only as mil alliance without regard for econ and soc realities or cultural matters. This concern recently enhanced by our pressure for admission Greece and Turkey, especially latter, which Scandinavians and others were reluctant to accept as lacking Eur, Christian and democratic background. While a handicap in this instance, the seriousness

with which

DECLASSIFIED
 E.O. 12065, Sec. 3-102
 State Dept. Guidelines, March 6, 1982
 PROJECT 417 P-1
 By ALC NLT, Date 6-29-84

-2- SECTO 25, Sept 19, midnight, from Ottawa.

with which these countries considered NATO as nucleus for gradually developing North Atl community holds promise for future.

Greece-Turkey item introduced Mon and fully supported by US, UK, Fr and Italy ~~Germany~~. Other countries expressed varying degrees acceptance with Nor and Dutch stressing that their action due to desire not (rpt not) block will of majority this would have resulted from their negative vote because of unanimity rule. Danish rep said not (rpt not) permitted by his instructions to vote aye. Discussion interpreted to permit Dan rep request new instructions from Copenhagen and will resume tomorrow when I expect favorable action by council. This action will take for recommendation to govts that they invite Greece and Turkey join NAT. As preliminary action require by constitutions most countries, we must expect delay two or three months before Greece-Turkey accede. This, however, will not (rpt not) prevent talks with Greek-Turkish govts with view establishing command set-up.

Re non-mil aspects NATO press has displayed fanciful imagination in reporting alleged action and decisions. We have done our utmost to rebut allegations that we have committed ourselves to econ progress for Eur at expense US taxpayer. We have made no such commitment of any kind. We have supported resolution estab ministerial comite consisting of Bel, Can, Ital, Dutch and Nor reps to make recommendations on (a) pol coordination and frequent consultation on foreign policy; (b) closer econ, fin and soc cooperation within NAT organization or thru other agencies; (c) collaboration in fields cultural and public info.

Re offshore procurement, we only expressed interest in helping use idle equipment facilities which would also provide Eur with some needed foreign exchange and would also develop alternate sources mil production which could be most useful under war time conditions shipping shortages. No figure mentioned as to amount such US procurement.

Re hastening acceptance firm mil plan, council has taken a major step this general subject, now generally referred to as "operation wisemen". Resolution adopted today provides for temporary comite of twelve reps of Cabinet rank and on which I hope Averill Harriman will serve as US rep and we expect, would be elected chairman. There will be a small exec comite consisting of chairman and vice chairman. Resolution directs all NATO agencies (this includes SHAPE) to place their services full disposal comite. Purpose is to make synthesis starting with valuable work done by depts and NATO agencies in mil, econ and fin fields but which have not (rpt not) yet been fitted together. It is hoped comite members will be statesmen with broad vision who will tackle problem both in terms of requirements of mil situation and of econ and fin potential. Every effort will be made by comite insure most severe screening mil

requirements

-3- SECTO 25, Sept 19, midnight, from Ottawa.

requirements while at same time seeking ways and means use most efficiently econ strength of West to pay the bill without disrupting economies. Comita instructed to present interim report Rome and "findings" no later than Dec 1. I hope this work will lead to economically feasible and militarily adequate plan to insure security NATO countries.

Most report grave worry Eur countries over deterioration their internal economies under impact post Korea defense programs has been unanimous. All have stressed that mil build up at accelerated rate which US has been advocating would result in run-away inflation and econ chaos, would foster communism and thus be self-defeating.

While next meeting had been generally though informally accepted as in Rome, Oct 29, UK elections Oct 25 now leaves question open as to place and date of future meeting. We have not (rpt not) had time discuss with other delegations this problem. Until we can make more definite plans, appears advisable not (rpt not) to comment.

ACHESON

GWP:WOR



U. S. S. WILLIAMSBURG

SECRET

U. S. Naval Gun Factory

WASHINGTON 25, D. C.

272050Z

11/27/51

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E.O. 12958, Vol. III

FROM: ROME
 TO : SECRETARY OF STATE
 NBR : ACTEL 20, NOVEMBER 23, 7 P.M.

Authority: Page 1609By HLT Date 2-12-84

FOR THE PRESIDENT AND ACTING SECRETARY FROM ACHESDN.

IN MY TALKS HERE THIS WEEK WITH EDEN AND SCHUMAN, AND FINALLY WITH ADENAUER, I THINK WE HAVE SUCCEEDED IN MOVING SOME OF OUR GERMAN PROBLEMS FORWARD. NO SPECTACULAR DECISIONS WERE MADE BUT AS YOU KNOW NONE WERE EXPECTED AT THIS TIME.

WE WERE ABLE TO RESOLVE ALL THE REMAINING QUESTIONS CONCERNING THE AGREEMENT ON GENERAL RELATIONS WITH THE GERMANS SO THAT THIS DOCUMENT IS NOW AGREED WITH ADENAUER AND IS READY FOR SIGNATURE WHENEVER THE RELATED AGREEMENTS ABOUT TROOPS AND OTHER MATTERS ARE READY, AND WHEN THE AGREEMENTS FOR A GERMAN DEFENSE CONTRIBUTION ARE CONCLUDED. WE HAVE THEREFORE BEEN ABLE TO ISSUE A COMMUNIQUE JOINTLY WITH ADENAUER WHICH WILL MAKE HIS TRIP SEEM A SUCCESS AND WILL THUS STRENGTHEN HIS HAND IN HIS EFFORTS TO TIE THE FEDERAL REPUBLIC INTO THE WEST.

MUCH LESS PROGRESS WAS MADE ON THE THORNY PROBLEM OF SECURITY SAFEGUARDS ON GERMANY, BUT WE WERE AT LEAST ABLE TO OUTLINE THE FUNDAMENTALS OF THIS PROBLEM TO ADENAUER AND THERE IS AT LEAST A HOPE THAT HE MAY BE STIMULATED TO MAKE A VOLUNTARY OFFER ON GERMANY'S PART TO REFRAIN FROM THE PRODUCTION OF CERTAIN IMPORTANT MILITARY ITEMS. WE EXPECT TO DISCUSS THIS PROBLEM FURTHER AMONG THE THREE OF US AT ROME AFTER THE FRENCH CABINET HAS CONSIDERED IT AGAIN AND AFTER THE CHANCELLOR HAS GIVEN HIS VIEWS TO THE HIGH COMMISSIONERS.

IT HAS PROVEN IMPOSSIBLE THUS FAR TO GET BEYOND THE BAREST FUNDAMENTALS OF THE QUESTION OF THE GERMAN FINANCIAL CONTRIBUTION FOR DEFENSE. THE BRITISH AND FRENCH HAVE AGREED, HOWEVER, TO AN IMMEDIATE EXPLORATION OF THE PROBLEM BY THE ALLIED HIGH COMMISSION WITH THE GERMANS ON THE BASIS OF A GERMAN DEFENSE BUDGET FOR THEIR NEXT FISCAL YEAR (BEGINNING APRIL 1) OF APPROXIMATELY 13 BILLION MARKS, TO BE USED BOTH FOR THE COST OF ALLIED TROOPS IN GERMANY AND THE GERMAN SHARE IN THE COST OF THE EUROPEAN DEFENSE COMMUNITY. THIS IS OF COURSE MERELY A NEGOTIATING FIGURE. THIS ENTIRE PROBLEM WILL LIKEWISE BE THE SUBJECT OF FURTHER TALKS IN ROME.

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FINALLY, EDEN AND SCHUMAN AGREED WITH ME ON THE TEXT OF A SO CALLED SECURITY GUARANTEE, A DECLARATION TO BE MADE BY THE THREE GOVERNMENTS WHENEVER ALL THE GERMAN AGREEMENTS COME INTO FORCE. THIS IS LARGELY A REPETITION OF THE STATEMENT MADE IN THE FOREIGN MINISTERS COMMUNIQUE IN SEPTEMBER 1950 WHEREIN WE STATED THAT WE WOULD TREAT AN ATTACK ON THE FEDERAL REPUBLIC OR ON BERLIN AS AN ATTACK ON OURSELVES. IT ADDITIONALLY STATES OUR INTENTION TO MAINTAIN THOOPS THERE WHICH ADENAUER CONSIDERED OF GREAT IMPORTANCE IN GERMANY. THIS POINT IS SO WORDED, HOWEVER, TO INSURE THAT FINAL DETERMINATION ON THIS MATTER REST WITH US. I BELIEVE THIS SOLUTION WILL TIE US OVER UNTIL SUCH TIME AS GERMANY CAN BE FORMALLY LINKED TO THE NORTH ATLANTIC TREATY.

THE MEETING BETWEEN ADENAUER AND EDEN, SCHUMAN AND MYSELF WAS ENTIRELY IN GOOD ATMOSPHERE. I BELIEVE THE FACT THAT THE FOUR OF US MET ON A BASIS OF EQUALITY IS OF GREATER IMPORTANCE IN EUROPE THAN ANY OF THE SPECIFIC AGREEMENTS REACHED AT THE MEETING AND HOPE THAT IT WILL SERVE TO SPEED ALONG CONCLUSION OF THE REMAINING NEGOTIATIONS WITH GERMANY AND THE FINALIZATION OF EUROPEAN DEFENSE ARRANGEMENTS. ADENAUER HAD HELD TALKS WITH EACH OF US BEFORE THE MEETING AND HAD ALREADY DISCUSSED MOST OF THE MATTERS OF CONCERN TO HIM. HIS PRIMARY CONCERN SEEMED TO BE THE PRESENT FEAR IN GERMANY THAT THE BIG POWERS MIGHT CONCLUDE OF A DEAL WITH RUSSIA ON THE UNIFICATION OF GERMANY AT THE EXPENSE OF THE INTERESTS OF THE GERMANS THEMSELVES. ON THIS POINT I BELIEVE HE RECEIVED SATISFACTORY ASSURANCES FROM EACH OF US. LIKEWISE WE HAD REACHED AGREEMENT WITH HIM PRIOR TO THE FORMAL MEETING THAT HE WOULD NOT PRESS FOR ANY CHANGE IN THE PRESENT POSITION OF OUR THREE GOVERNMENTS AS REGARDS GERMANY'S EASTERN TERRITORIES. HE HAD RAISED THIS POINT PUBLICLY IN A RECENT SPEECH IN GERMANY AND HAD PRESSED THE HIGH COMMISSION FOR SOME COMMITMENT WHICH WOULD HELP HIM IN VIEW OF THE PRESSURE OF THE REFUGEE PROBLEM IN GERMANY. ALL THREE OF US WERE FIRM ON THIS POINT. I INFORMED THE CHANCELLOR THAT THE POSITION ESTABLISHED BY BYRNES IN HIS STUTTGART SPEECH THAT THIS WAS A MATTER TO BE DEALT WITH IN THE FINAL PEACE SETTLEMENT WOULD REMAIN UNCHANGED.

ADENAUER SEEMS PREPARED TO PUSH REMAINING CONVENTIONS ON SUCH MATTERS AS STATUS OF FORCES AND THEIR LOGISTICAL SUPPORT TO A SPEEDY CONCLUSION. IT WAS UNDERSTOOD AMONG THE FOUR OF US THAT EVERY EFFORT WOULD BE MADE TO COMPLETE ALL OF THE REMAINING AGREEMENT WITH GERMANY BY THE END OF THE YEAR. THESE WOULD, OF COURSE,

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Article 501
(b)(1) (b)(2) (b)(3)

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U. S. S. WILLIAMSBURG

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ONLY GO INTO EFFECT UPON GERMANY'S COMMITMENT TO JOIN THE DEFENSE EFFORT. THE TIME SCHEDULE FOR COMPLETION BY THE EUROPEAN NATIONS INCLUDING GERMANY, OF A TREATY TO ESTABLISH THE EUROPEAN DEFENSE FORCE IS NOT AS OPTIMISTIC, PRIMARILY BECAUSE OF THE DIFFICULT FINANCIAL PROBLEMS INVOLVED. WE ARE ALL SEARCHING FOR METHODS OF EXPEDITING THIS EFFORT. WE WILL OF COURSE BE WORKING ON THIS PROBLEM AT ROME.

/S/ ACHESON

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OFFICE OF
THE SECRETARY OF STATE
WASHINGTON

DECLASSIFIED

E.O. 12065, Sec. 3-402

to Dept. Guidelines, March 6, 1982

y D-8 NLT, Date 9-6-85

November 27, 1951

~~SECRET SECURITY INFORMATION~~

SUMMARY OF TELEGRAMS

NORTH ATLANTIC COUNCIL

At the opening session of the eighth meeting of the North Atlantic Council in Rome the Secretary made a brief statement on Korea. He indicated that further Allied assistance would be necessary in the event no armistice was reached, and that if there were an armistice further assistance would be needed to protect South Korea from renewed aggression. He remarked that withdrawal from South Korea would be most unwise and must not happen. On the political side, the Secretary said that a final settlement must be considered by a UN agency and that since the Security Council is obviously unsuitable, a new smaller body should consider such a settlement. He stated that the settlement must not be mixed in with other current questions and that the acceptance of such a procedure would in itself test the desire of the Soviets for peace. UK Foreign Secretary Eden indicated the UK's desire to limit the area of trouble in Egypt to the Suez Canal Zone and urged the other countries not to recognize Egyptian sovereignty over the Sudan. Norwegian Foreign Minister Lange, referring to the recent Soviet notes on NATO bases, expressed the view that the Soviets may really fear the development of bases or might be preparing for action. French Foreign Minister Schuman described the demands of the French effort in Indochina, stating that the situation was now well in hand but that he could not say it would soon be finished in victory.

EGYPT

At a luncheon yesterday with Meers, Eden, Butler, and Dudley and Lord De Lisle, the Secretary raised the question of the new British stoppage of oil from the Canal Zone to Egypt. Mr. Eden showed the Secretary recent cables he had received from General Erskine, the British Canal Zone Commander, which made two principal points: 1) the British desire to keep the Egyptian Government anxious about the troop situation; and 2) the troops are under constant strain and need respite from their inspection duties. Eden also mentioned that bodies of British soldiers were being dredged out of the Suez Canal and the temper of the troops was rising. The cables made a strong point that the British could not remain passive in the situation. The Secretary took a strong position and told Mr. Eden that it was

clear from the telegrams that the fundamental question was not a military one and that the object of the oil stoppage was obviously to keep the Egyptian Government upset. He said he felt Eden had yielded in this matter to pressure from the military. The Secretary added that although we would stand firm with the British on action to protect the integrity of the Canal Zone we would not stand with them on cutting down the oil flow. He expressed the hope that the British would reverse their position on this.

INDIA

An officer of the French Embassy in Washington has informed the Department in strictest confidence that India's ex-Ambassador to Peiping, Panikkar, indicated to Foreign Office officials in Paris that he may return to Peiping toward the end of December in order to arrange a visit by Nehru to Peiping during the early part of next year.

OFFICE OF
THE SECRETARY OF STATE
WASHINGTON

DECLASSIFIED

E.O. 12065, Sec. 3.402

State Dept. Guidelines, March 4, 1982

By D&B NLT, Date 9-1-85

November 28, 1951

~~TOP SECRET SECURITY INFORMATION~~SUMMARY OF TELEGRAMSNORTH ATLANTIC
COUNCIL

At the third meeting of the Council, General Gruenther presented the SHAPE report on Soviet military capabilities and the estimated Soviet strengths in various branches, along with the SNAPE estimates for Western requirements. Mr. Harriman presented a progress report on the Temporary Council Committee, and General Eisenhower spoke to the Council on the necessity for making real contributions to the effectiveness of the Western military machine rather than merely projecting statistical plans for the future. Eisenhower also made a strong plea for concerted effort and launched into his "favorite topic", European unity, calling for an immediate European army and further implementation of the Schuman Plan.

The fourth meeting of the Council took up the Defense Ministers' report on the revised Medium Term Defense Plan, and adopted a resolution stating that: 1) the need for creation of a NATO defense force adequate to deter aggression has not lessened; 2) the NATO military principle of realizing the greatest operational readiness while defense preparations move forward must be effectively applied; and 3) that the need to take economic measures necessary to support defense preparations, as well as the need for every possible economy in defense preparations, requires the most careful consideration by NATO agencies and member countries of the findings and recommendations of the TCC. The resolution directs the TCC to submit its final report sufficiently prior to the next NAC meeting to permit action by the governments at that meeting, and requests member nations meanwhile to proceed immediately on the 1952 portion of the MTDP plan and to bring about the greatest feasible defense combat capability of the NATO forces in 1952.

MIDDLE EAST
COMMAND

Prince Faisal delivered a note from King Ibn Saud to our Embassy in Jidda on Monday concerning the Saudi Arabian attitude toward the MEC. The note says that all the Arab states are closely watching the

~~TOP SECRET SECURITY INFORMATION~~

Anglo-Egyptian dispute, and that, in deference to the feeling of the Egyptian people, the Arab people and their national consciousness will not permit them to take affirmative steps in regard to the MEC proposals. Therefore the Arab governments cannot come to an agreement with the sponsor governments of the MEC "even if they desire to do so." The note also expresses the hope that the US Government will "do something" to solve the problem. During a conversation following the presentation of this note Feisel assured our Charge that Saudi Arabia would not, on the other hand, take any action in Paris (such as participating in a joint Arab state denunciation of the MEC proposals) which would prejudice the reasoned consideration of the MEC by the Arab states at some later date when the time for a decision is reached.

UNITED NATIONS

Ambassador Jessup and his staff met with the French and British counterparts yesterday afternoon to consider further what our general approach should be to the sub-committee proposed by Iraq, Pakistan and Syria to work out a "compromise" proposal based on the Western and the Soviet proposals. Jessup says that in the light of the "ground swell" which has developed in Paris in favor of the establishment of this sub-committee, it was agreed that the three powers should come out promptly and unequivocally in favor of the sub-committee in order to avoid the impression that we were being dragged into acceptance of it. Accordingly, Mr. Lloyd (UK) will state in Committee One today that we agree in principle to the establishment of this sub-committee consisting of the four powers with the president of the General Assembly as the chairman.

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U. S. S. WILLIAMSBURG

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WHITE #45

U. S. Naval Gun Factory

WASHINGTON, D. C.

#117342

1 DEC 1951

FROM: THE SECRETARY OF STATE

TO : THE PRESIDENT OF THE UNITED STATES

- - - - -

FROM: ROME

TO : SECRETARY OF STATE

NN : ACTEL 28, NOVEMBER 30, 1# P.M.

FOR THE PRESIDENT FROM THE SECRETARY

DEAR MR. PRESIDENT:

I AM MOST GRATEFUL FOR YOUR KIND NOTE OF ENCOURAGEMENT. IT MAY BE HELPFUL TO YOU TO HAVE SOME IMPRESSIONS FROM ME AT THE END OF THE NATO MEETING AT ROME. THE FIRST IS THAT THE BIG PROBLEMS REMAIN UNSOLVED AND WILL NEED THE MOST ENERGETIC WORK OVER THE NEXT 60 DAYS, IF WE ARE TO SOLVE THEM.

IN THE INTERNATIONAL FIELD WE ARE EXPERIENCING WHAT THE PRODUCTION PEOPLE CALL SLIPPAGES. THREE MONTHS AGO WE HOPED THAT THE OTTAWA MEETING WOULD START THE WHEELS MOVING FOR DECISIONS AT THIS ROME MEETING ON A DEFENSE PROGRAM GEARED TO ECONOMIC CAPACITY AND UPON THE INTEGRATION OF GERMANY, BOTH INTO THE WESTERN COMMUNITY OF FREE NATIONS AND INTO THE WEST DEFENSIVE ORGANIZATION. BUT AS YOU KNOW, IT BECAME CLEAR BEFORE THIS MEETING, THAT THE COMPLEXITY OF THE GERMAN PROBLEM AND THE CURRENT STAGE OF HARRIMAN'S WORK IN THE TEMPORARY COUNCIL COMMITTEE MEANT THAT THE ROME MEETING WOULD HAVE TO BE A SPUR TO GET DECISIONS BY THE END OF JANUARY.

REALIZATION THAT THE SESSION COULD NOT REACH IMPORTANT DECISIONS AFFECTED THE ATMOSPHERE IN WHICH THE MEETING WAS HELD. THERE WAS DEFINITE LESSENING OF ENTHUSIASM AND INTEREST.

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E.O. 11652
Authority: 105-1060-200
By: 11-12-84

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ANOTHER DEPRESSING FACTOR WAS THE KNOWLEDGE THAT AFTER HARRIMAN'S REPORT, GOVERNMENTS WILL HAVE TO DECIDE DEFINITELY ON THE PRECISE DEGREE OF MILITARY-ECONOMIC AND FINANCIAL EFFORT TO BE MADE IN THE NEXT YEAR. IN EUROPE, THIS DECISION IS HARD BECAUSE OF LOW STANDARDS OF LIVING AND, IN MANY CASES MINUTE PARLIAMENTARY MAJORITIES. IN FRANCE, THE SLENDER MAJORITY CONSISTS OF A WEAK COALITION OF PARTIES WHICH DO NOT SEE EYE-TO-EYE ON MANY KEY ISSUES. THE COMMUNIST PARTIES REMAIN STRONG IN FRANCE AND ITALY AND PROCLAIM DAILY THAT THE DEFENSE EFFORT IS LEADING TO RUNAWAY INFLATION AND ECONOMIC CHAOS.

IN THIS SITUATION, OUR GOALS FOR THIS MEETING WERE:

1. CONVINCE THE VARIOUS NATIONS TO TAKE THE NECESSARY STEPS TO ACHIEVE COMPLETE BATTLE WORTHINESS BY THE SUMMER OF 1962 FOR THE MILITARY FORCES WHICH NOW EXIST ON PAPER.
2. LAY THE GROUNDWORK FOR GOVERNMENT DECISIONS CONCERNING THE FINDINGS OF THE TEMPORARY COUNCIL COMMITTEE WHICH SHOULD BE EXPRESSED AT THE NEXT COUNCIL MEETING.
3. ASCERTAIN THE CHANCES OF SUCCESS OF THE EUROPEAN DEFENSE COMMUNITY AND ESTABLISH A DEADLINE BY WHICH THE PARIS CONFERENCE, WHICH HAS BEEN DRAFTING THE TREATY SINCE MARCH 15, WILL HAVE TO REPORT EITHER SUCCESS OR FAILURE.

I THINK ALL COUNTRIES NOW APPRECIATE THE URGENCY OF MAKING OUR RESISTING FORCES FULLY COMBAT-EFFECTIVE BY NEXT SUMMER AND OF CONTINUING TO DO SO GRADUALLY AS STRENGTH DEVELOPS INSTEAD OF PLACING OUR PRIMARY RELIANCE ON THE DEVELOPMENT BY 1964 OF FORCES WHICH AT THAT THEORETIC DATE COULD, INSOFAR AS CAN BE PREDICTED NOW, INSURE THE PROTECTION OF WESTERN EUROPE AGAINST SOVIET ATTACK. HERE THE US PLAYS A KEY ROLE. THE COMBINED EFFECTIVENESS OF THE FORCES, WHICH FLANK OUR OWN IN GERMANY TODAY DEPENDS UPON OUR GIVING PRIORITY TO EQUIPPING THEM INSTEAD OF TO RESERVE FORMATIONS AT HOME.

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SECURITY INFORMATION

U. S. S. WILLIAMSBURG

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WASHINGTON 25, D. C.

AS TO FUTURE ACTION ON HARRIMAN'S FINAL REPORT, OUR FRIENDS NOW KNOW THAT IT IS QUITE IMPOSSIBLE TO EXPECT AN ADEQUATE DEFENSE WITHOUT PAYING THE CORRESPONDING PRICE. THEY KNOW THAT WE CANNOT AND WILL NOT PICK UP THE CHECK. I THINK THAT THEY WILL COME THROUGH BUT IT WILL TAKE THEM LONGER THAN WE HAD HOPED. ON OUR PART, I THINK THAT WE CAN AND SHOULD DEMAND GREATER EFFORTS AND GREATER EFFICIENCY IN EUROPE, BUT WE SHOULD NOT URGE A DEGREE OF ECONOMIC EFFORT WHICH IS QUITE IMPOSSIBLE FOR THEM TO ADHERE, AND WHICH, IF ATTEMPTED, WOULD HAVE INTERNAL SOCIAL AND ECONOMIC RESULTS WHICH WOULD SET BACK THE WHOLE REARMAMENT PROGRAM.

WE WERE ABLE TO ACCOMPLISH VERY LITTLE IN THE COUNCIL ON THE EUROPEAN DEFENSE FORCE AND THE RELATED QUESTION OF A GERMAN CONTRIBUTION TO DEFENSE. SHUMAN MADE A PROGRESS REPORT ON THE STATUS OF THE NEGOTIATIONS IN PARIS FOR THE ESTABLISHMENT OF A EUROPEAN FORCE WHICH WOULD INCLUDE GERMANY. I REPORTED BRIEFLY ON THE TRIPARTITE NEGOTIATIONS WITH THE GERMANS REGARDING THEIR FUTURE POLITICAL STATUS, SAYING THAT WE WERE DRIVING TO FINISH OUR NEGOTIATIONS ON THIS RANGE OF PROBLEMS BY DEC 31 AND URGING ALL TO COMPLETE THE DEFENSE ARRANGEMENTS BY ABOUT THAT SAME DATE. THIS WOULD ALLOW US TO TAKE FINAL ACTION ON BOTH OF THESE MATTERS AT THE NEXT COUNCIL MEETING. A RESOLUTION WAS ADOPTED INDICATING THAT THIS WAS THE DESIRE OF THE COUNCIL.

THE FORMAL DISCUSSIONS IN THE COUNCIL ON THIS SUBJECT DID NOT REFLECT THE CONFUSION AND STRAIN PRESENTLY IN EUROPE OVER THE ESTABLISHMENT OF A EUROPEAN DEFENSE FORCE. THERE IS A GENERAL FEELING AMONG FOREIGN MINISTERS THAT THE PROJECT IS NOT GOING WELL, THAT THE FRENCH CHAIRMANSHIP OF THE DISCUSSIONS IS WEAK AND CONFUSED, AND THAT THE PEOPLE MAKING PLANS FOR ESTABLISHMENT OF THE FORCE ARE MAKING A THEORETICAL APPROACH TO THE PROBLEM WITHOUT REGARD TO POLITICAL AND PARLIAMENTARY REALITIES IN EUROPE. BOTH STIKKER AND VAN ZEELAND ARE EXTREMELY WORRIED ALONG THESE LINES. DE GASPERI SEEMS PREPARED TO GO MUCH FARTHER TOWARDS A TRANSFER OF SUBSTANTIAL SOVEREIGNTY IN THE HANDS OF CENTRAL EUROPEAN ORGANIZATIONS. ALTHOUGH ADENAUER DID NOT RAISE THE QUESTION, HIS KEY ADVISERS INDICATED TO US IN PARIS THEIR CONCERN THAT PRESENT PLANS OF THE FRENCH LED TO A HALF-WAY SOLUTION WHICH WOULD

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NOT WORK WITHOUT COMPLETE FEDERATION IN EUROPE. THEY INDICATED ON THEIR PART THAT THEY WERE READY TO GO THE WAY TO FEDERATION. IN THIS SITUATION THE FRENCH, DEEPLY DIVIDED AT HOME AND UNSURE OF PARLIAMENTARY APPROVAL, SEEM UNCERTAIN AS TO WHICH WAY TO MOVE. THE PROBLEM IS FURTHER COMPLICATED FOR SCHUMAN IN THAT THERE ARE TWO COMPLETELY OPPOSITE VIEWS HELD IN FRENCH CIRCLES AS TO THE PROPER APPROACH TO GERMANY. IN GENERAL THE FOREIGN OFFICE CLINGS TO ITS VIEW THAT GERMANY IS A MAJOR THREAT OF THE FUTURE AND MUST CONTINUE TO BE BOUND BY RESTRICTIONS OF AN OCCUPATIONAL NATURE WHILE THOSE FRENCHMEN WORKING ON CREATION OF A COMMON FORCE IN EUROPE ARE CONVINCED THERE MUST BE REAL EQUALITY GIVEN GERMANY ON THE WHOLE EFFORT WILL FAIL.

I SPOKE TO SCHUMAN PRIVATELY ABOUT THIS RANGE OF PROBLEMS MAKING IT VERY CLEAR THAT IN OUR JUDGMENT THESE NEGOTIATIONS MUST BE COMPLETED BY THE END OF THE YEAR AND SUCCESS OR FAILURE REGISTERED BY THAT TIME. I ASSURED SCHUMAN THAT WE CONSIDERED THE EUROPEAN DEFENSE COMMUNITY FORMULA TO BE THE BEST METHOD OF OBTAINING GERMANY'S PARTICIPATION BUT THAT I HAD SERIOUS DOUBTS THAT AGREEMENT COULD BE REACHED UNLESS SUCH MATTERS AS THE ESTABLISHMENT OF COMMON BUDGET AND COMMON PRODUCTION PROGRAM, THIS HAS BEEN ARRANGED. I AM ASKING BRUCE TO FURNISH ME WITHOUT DELAY WITH ACTUAL TEXTS NOW UNDER NEGOTIATIONS AT PARIS AND FOR ALL OTHER INFORMATION THAT MAY ALLOW US TO TAKE A STILL MORE ACTIVE ROLE THAN WE HAVE HERETOFORE IN AN EFFORT TO GUIDE THIS COMPLEX PROJECT TO EARLY REALIZATION.

EDEN SHARES MY VIEW THAT WE MUST MOVE QUICKLY OR FACE POSSIBLE COMPLETE STALEMATE ON THE CREATION OF A EUROPEAN DEFENSE FORCE. HE ASKED MY VIEW AS TO WHETHER WE THOUGHT IT WOULD HELP IF THEY TOOK A MORE ACTIVE ROLE AND WAS CONSIDERING, I BELIEVE, POSSIBILITY THAT BRITISH FORCES ON THE CONTINENT COULD BE PLACED INSIDE THE COMMON FORCE THROUGH SOME ARRANGEMENT. I SAID THAT INJECTION OF THIS NEW ELEMENT NOW WOULD COMPLICATE NEGOTIATIONS AND MAKE IMPOSSIBLE MEETING THE DEADLINE OF DECEMBER 31. HE SHOULD THEREFORE HOLD OFF NOW. BUT IN THE END IT MAY BE THE CATALYST THAT CAN PULL THE WHOLE MATTER TOGETHER. IF IT LATER BECOMES OBVIOUS THAT THE FRENCH PARLIAMENT WILL TURN DOWN THE FRENCH INITIATIVE FOR THE CREATION OF

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U. S. S. WILLIAMSBURG

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~~TOP SECRET~~

U. S. Naval Gun Factory

WASHINGTON, D. C.

THIS FORCE OR IF THE BENELUX NATIONS, WITH THEIR CLOSE TIES TO BRITAIN, APPEAL ABOUT TO SOLT FROM THE EFFORT, A MOVE BY BRITAIN ALONG THE ABOVE LINES COULD BE EXTREMELY BENEFICIAL. IN VIEW OF THE TRADITIONAL BRITISH POSITION TOWARDS DEVELOPMENTS ON THE CONTINENT, I CONSIDER EDFN'S STATEMENT TO BE SIGNIFICANT AND EXTREMELY ENCOURAGING.

IN SEPARATE MEETINGS HERE WITH SCHUMAN AND EDEN ON THE TRIPANITE MATTERS LEFT OVER FROM PARIS, WE REACHED SUFFICIENT AGREEMENT UPON A SHORT-TERM SOLUTION TO THE QUESTION OF GERMANY'S FINANCIAL CONTRIBUTION TO DEFENSE TO ALLOW MCCLOY AND HIS COLLEAGUES TO START NEGOTIATIONS WITH THE GERMANS. WITH A REDUCTION OF EXPENDITURES BY ALLIED FORCES IN GERMANY TO THE MINIMUM CONSISTENT WITH MILITARY EFFICIENCY, AND WITH A REALISTIC APPHIASAL OF THE COST OF MAINTAINING GERMAN FORCES DURING THEIR FISCAL YEAR WHICH STARTS IN APRIL, WE EXPECT THE GERMANS COULD MEET EXPENDITURES THERE WITHOUT ANY SERIOUS GAP DURING THAT PERIOD. THIS WHOLE PROBLEM IS COMPLICATED BY THE FACT THAT A COMMON BUDGET, OF WHICH GERMANY WOULD BE A MEMBER, IS UNDER DISCUSSION IN ANOTHER FORUM. MCCLOY WILL HAVE A DIFFICULT TIME ON THIS SUBJECT BUT, WITH HIS DISENTHUSIASM AT THE PARIS CONFERENCE, IS IN A POSITION TO WORK THE MATTER OUT AS WELL AS ANYONE, I AM GIVING HIM THIS RESPONSIBILITY.

WE DID NOT REACH AGREEMENT UPON THE NATURE AND EXTENT OF PROHIBITIONS OF MANUFACTURE OF MILITARY ITEMS IN GERMANY. I SHALL SEND YOU SHORTLY A SEPARATE MESSAGE ON THIS SUBJECT.

WHILE THE VISIBLE EFFORTS OF THE PONE MEETING ARE NOT IMPRESSIVE, I BELIEVE THAT THE MEETING SERVED TO IMPRESS EVERYONE WITH THE URGENCY OF MOVING FORWARD. THE FRICTIONS AND ANXIETIES MENTIONED ABOVE ARE BOUND TO ACCOMPANY DECISION OF MATTERS AFFECTING GERMANY AND THE ESTABLISHMENT OF A COMMON FORCE IN EUROPE. IT IS USEFUL THAT MINISTERS HERE HAD A CHANCE IN PRIVATE TO EXPRESS THEIR DEEP FEELINGS ON THESE PROBLEMS. IF SOLUTION TO THESE PROBLEMS IS FOUND BEFORE OUR NEXT COUNCIL MEETING, IT WILL BE MAINLY BECAUSE EVERYONE IS CONVINCED THAT A SOLUTION MUST BE FOUND AND THAT DRAGGING MATTERS ALONG WOULD SPELL FAILURE. THERE IS NO

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U. S. S. WILLIAMSBURG

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U. S. Naval Com. Factory

WASHINGTON 25, D. C.

~~TOP SECRET~~

(RPT NO) DOUBT. HOWEVER, THAT TO REACH A SOLUTION WE WILL HAVE TO TAKE A VERY ACTIVE PART, PARTICULARLY WITH THE FRENCH, TO HELP THEM MAKE THEIR OWN PLAN AND INITIATIVE A SUCCESS.

IT WAS BOB LOVETT'S FIRST EXPERIENCE AT A NATO MEETING. HE WAS MOST EFFECTIVE IN ALL THE DISCUSSIONS IN WHICH HE PARTICIPATED AND SO OF COURSE WAS JOHNNY SNYDEN.

WE ARE SAILING ON TUESDAY ON THE INDEPENDENCE, WITH JOHN SNYDER AND CHARLIE BRANNAN. ALL OF US ARE LOOKING FORWARD TO A WEEK REST BEFORE PLUNGING INTO THE TURMOIL OF THE NEXT SESSION.

I HOPE THAT KEY WEST HAS DONE FOR YOU EVERYTHING THAT WE HOPED AND THAT YOU ARE RESTED AND THOROUGHLY WELL.

WITH THE WARMEST GREETINGS TO YOU AND TO MRS. TNUMAN, IF AS I HOPE, SHE IS WITH YOU.

RESPECTFULLY AND AFFECTIONATELY YOURS,

/S/ACHESON

~~TOP SECRET~~

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U. S. S. WILLIAMSBURG

NLT (P/F-SUBT) 143

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PAGE 1 OF 4

U. S. Naval Gun Factory

WASHINGTON, D. C.

~~TOP SECRET~~

WHITE 446

011736Z

1 DEC 1961

FROM: THE SECRETARY OF STATE

TO: THE PRESIDENT OF THE UNITED STATES

FROM: ROME

TO: SECRETARY OF STATE

NR: ACTEL 29, NOVEMBER 30, MIDNIGHT

SENT DEPT ACTEL 29, RPTD INFO BONN 23 (EYES ONLY FOR MCCLOY)
FOR THE PRESIDENT FROM THE SECRETARY

IN MY MESSAGE TO YOU OF 23 NOVEMBER I REPORTED THAT EDEN, SCHUMAN AND I HAD FAILED REACH AGREEMENT IN PARIS ON QUESTION OF TYPE AND EXTENT OF CONTINUED RESTRICTION ON PRODUCTION OF MILITARY ITEMS IN GERMANY. THE THREE OF US HAVE MET HERE IN ROME TWICE ON THIS SUBJECT BUT LIKEWISE WERE UNABLE TO AGREE.

BACKGROUND OF THE PROBLEM IS AS FOLLOWS:

SINCE THE WAR THE PRODUCTION OF MILITARY EQUIPMENT AND IMPLEMENTS OF WAR HAVE BEEN PROHIBITED IN GERMANY BY TRIPARTITE DECREE. AT BRUSSELS LAST YEAR WHEN WE AGREED THAT GERMANY WOULD HAVE THE OPPORTUNITY TO PARTICIPATE IN DEFENSE, WE ALSO AGREED UPON A LIST OF IMPLEMENTS OF WAR WHICH WOULD CONTINUE TO BE PROHIBITED IN GERMANY. THERE REMAINED QUESTION FOR SOME TIME AS TO WHETHER THESE ITEMS WERE TO BE THE ONLY RESTRICTIONS ON GERMAN INDUSTRY. IN WASHINGTON CONFERENCES OF LAST SEPTEMBER WE REACHED AGREEMENT, WITH SOME DIFFICULTY WITH FRENCH, THAT BRUSSELS LIST WOULD BE THE ONLY RESTRICTIONS TO BE RETAINED, AND THAT THESE WOULD BE RETAINED NOT (RPT NOT) BY DECREE BUT BY CONTRACTUAL AGREEMENT WITH GERMANS. THIS LIST WAS AS FOLLOWS:

- (A) ATOMIC WEAPONS
- (B) BIOLOGICAL WEAPONS
- (C) CHEMICAL WEAPONS
- (D) HEAVY MILITARY EQUIPMENT

B File

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This message requires storage in accordance with Article 0616

DECLASSIFIED
P.A. on 6-5-94
Bj Hec - HLT
PAG 1730
2-14-84

SECURITY INFORMATION

U. S. S. WILLIAMSBURG

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U.S. Naval Gun Factory

WASHINGTON 25, D. C.

- (E) LONG-RANGE AND GUIDED MISSILES
- (F) MILITARY AND CIVIL AIRCRAFT
- (G) NAVAL VESSELS OTHER THAN MINGR CRAFT

IN THE ABOVE WASHINGTON CONFERENCE WE ATTEMPTED GET AGREEMENT THAT ITEM (D), NAMELY "HEAVY MILITARY EQUIPMENT" SHOULD BE DROPPED FROM LIST BUT WERE UNABLE OBTAIN AGREEMENT. LATER ON, IN TRIPARTITE WORKING GROUP IN LONDON, SET UP FOR THE PURPOSE OF DEFINING ENTIRE LIST RESTRICTIONS IN EXACT TERMS, WE HAD PARTICULAR DIFFICULTY WITH THE ITEM. THROUGH LONG NEGOTIATION, WE WERE NOT (RPT NOT) ABLE TO REACH AGREEMENT THAT THE GERMANS, FOR INSTANCE, COULD MAKE A COMPLETE ARTILLERY PIECE OF ANY SUBSTANTIAL SIZE. THEY COULD MAKE THE GUN CARRIAGE BUT WOULD HAVE TO DEPEND UPON SOMEONE ELSE TO PRODUCE THE GUN BARREL AND COULD NOT (RPT NOT) MANUFACTURE THE PROPELLENT FOR THE SHELLS. THIS, OF COURSE, IS AN UNREALISTIC SITUATION, PARTICULARLY AT A TIME WHEN PRODUCTION IN THE WEST OF THIS TYPE OF EQUIPMENT IS CRITICAL.

IN THE MEANTIME, ADENAUER HAS TAKEN THE POSITION THAT THE RETENTION OF PROHIBITIONS IN GERMANY ALONG THE LINES OF THE ABOVE LIST WILL BE UNACCEPTABLE TO HIS PARLIAMENT. HE HOLDS THE VIEW THAT SUCH A PROCEDURE WOULD ENTAIL OBVIOUS DISCRIMINATION AGAINST GERMANY AND WOULD SERIOUSLY JEOPARDIZE THE CHANCES OF BUNDESTAG APPROVAL OF THE WHOLE CONCEPT OF GERMAN ENTRANCE INTO DEFENSE ARRANGEMENTS. HE PROPOSES INSTEAD THAT THE WEST ACCEPT THE CONCEPTS INHERENT IN THE EUROPEAN DEFENSE COMMUNITY NEGOTIATION AS A SUBSTITUTE FOR CONTINUED TRIPARTITE RESTRICTIONS ON GERMANY. IN THE NEGOTIATIONS ON THE EDF ALL CONCERNED ARE APPARENTLY PROCEEDING UPON THE ASSUMPTION THAT THE MANUFACTURE OF MILITARY ITEMS OTHER THAN THOSE ALLOCATED THROUGH CENTRAL BUDGET AND PROCUREMENT CONTROL AND FOR NATIONAL PURPOSES WOULD BE A VIOLATION OF THE TREATY. IN ADDITION THE EUROPEAN DEFENSE COMMISSIONER WILL HAVE THE ROLE OF BUILDING A SINGLE BALANCED FORCE IN EUROPE AS CONTRASTED TO BALANCED NATIONAL FORCES. THE LACK OF RESOURCES IN EUROPE AND THE ECONOMICS OF THE SITUATION WOULD AS WELL FORCE ALLOCATION OF PRODUCTION WHICH WOULD RESULT IN ALL NATIONS BEING UNABLE INDEPENDENTLY TO FULLY SUPPORT THEIR OWN FORCES.

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SECURITY INFORMATION

U. S. S. WILLIAMSBURG

U. S. Naval Gun Factory

WASHINGTON 25, D. C.

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~~TOP SECRET~~

SCHUMAN WAS UNABLE TO ACCEPT IN PRINCIPLE ANY PORTION OF THE CHANCELLOR'S PROPOSAL. EDEN AND I FELT WE COULD NOT (RPT NOT) COMMIT OUR GOVERNMENTS BUT BOTH FELT THAT ADENAUER'S PROPOSAL MERITED SERIOUS STUDY. HE AND I LIKEWISE AGREE THAT OUR PRESENT APPROACH TO THE PROBLEM, WHICH WOULD INVOLVE WHEN SPELLED OUT A LENGTHY AND COMPLETE LIST OF RESTRICTIONS ON GERMANY, AND PARTICULARLY IN THE GROUND WEAPONS FIELD, IS UNWORKABLE. EDEN HAS AN IDEA THAT WE MIGHT ASK ADENAUER TO MAKE A VOLUNTARY PLEDGE TO THE WEST THAT THEY WOULD NOT (RPT NOT) ENGAGE IN CERTAIN ACTIVITIES AND THEN TAKE THE NECESSARY STEPS INTERNALLY, PRESUMABLY BY LEGISLATION, TO INSURE THAT GERMANY DID NOT (RPT NOT) PRODUCE WITHIN THE SPECIFIED FIELDS, EXCEPT BY REQUEST OF THE EUROPEAN DEFENSE FORCE COMMISSIONER. HE PLANS TO DISCUSS THIS WITH CHURCHILL AND OTHERS WHEN HE RETURNS TO LONDON. SCHUMAN WILL SEEK CLARIFICATION OF HIS POSITION IN PARIS AND ATTEMPT TO RECONCILE THE VIEWS OF THOSE, SUCH AS BONNET, WHO CONSIDER THERE MUST BE NO (RPT NO) DISCRIMINATION AGAINST GERMANY, AND OF THE FOREIGN OFFICE WHO CLING TO THE VIEW THAT THE WHOLE LIST OF RESTRICTIONS MUST BE RETAINED.

MY OWN VIEW, IN THE CASE OF GERMANY AS WITH JAPAN, IS THAT THE BEST AVENUE TO SECURITY IS IN THE FRAMEWORK OF A POSITIVE APPROACH RATHER THAN THROUGH RETENTION OF NEGATIVE RESTRICTIONS BY LEGAL CONTRACT. THE DIFFICULTY WITH THE LATTER IS THAT THEY GIVE ILLUSIONARY PROTECTION FOR AN INTERIM PERIOD YET BECOME UNWORKABLE AT VERY MOMENT THEY MIGHT BE NEEDED IN THE FUTURE. OUR SECURITY AGAINST GERMANY FOR THE FUTURE LIES MORE ALONG THE LINES OF TIEING GERMANY IN EVERY POSSIBLE WAY TO THE WEST THROUGH SUCH MECHANISMS AS THE SCHUMAN PLAN, EUROPEAN DEFENSE FORCE AND, EVENTUALLY, NATO. I DO NOT (RPT NOT) BELIEVE WE CAN SUCCESSFULLY ATTEMPT TO ACCOMPLISH TWO CONTRADICTORY PROGRAMS AT THE SAME TIME, I.E., THAT OF BRINGING GERMANY WHOLEHEARTEDLY INTO THE WEST ON A BASIS OF EQUALITY AND THAT OF RETAINING A DISTRUSTFUL ATTITUDE RESULTING IN OBVIOUS INEQUALITY. THE PROBLEM IS DIFFICULT FOR US IN THAT WE CANNOT (RPT NOT) YET SEE CLEARLY NOW THE EUROPEAN DEFENSE FORCE CONCEPT WILL WORK OUT IN PRACTICE OR INDEED WHAT SOME OF THE TREATY PROVISIONS

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~~SECURITY INFORMATION~~

U. S. S. WILLIAMSBURG

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~~TOP SECRET~~

U. S. Naval Gun Factory
WASHINGTON 25, D. C.

WILL BE THAT AFFECT THE FEASIBILITY OF THAT ORGANIZATION BEING EFFECTIVE ON THIS SUBJECT. I BELIEVE, HOWEVER, WE NEED AT THIS PARTICULAR TIME A DEGREE OF FLEXIBILITY FOR OUR PEOPLE ON THE SPOT IN EUROPE TO ATTEMPT TO WORK OUT THE BEST SOLUTION. I SHOULD LIKE YOUR APPROVAL TO INFORM MC CLOY THAT HE SHOULD WORK OUT, IN LIAISON WITH BRUCE, AND FOR OUR FINAL APPROVAL, SUCH SOLUTION AS HE CAN WHICH WILL FIT THE POLITICAL SITUATION IN GERMANY AND BE CONSISTENT WITH DEVELOPMENTS IN THE EDF CONFERENCE IN PARIS REGARDING PROCEDURE IT IS POSSIBLE FOR US TO INFLUENCE DRAFTING OF THE EDF TREATY SO THAT IT WOULD PROVIDE THE GREATEST SAFEGUARD FOR THE FUTURE. I AM SEEKING YOUR APPROVAL OF THIS GENERAL PROCEDURE AT THIS TIME BECAUSE I AM CONVINCED THAT ULTIMATE SOLUTION OF THIS PROBLEM WILL INVOLVE THE DISCONTINUANCE OF TRIPARTITE SECURITY SAFEGUARDS ON GERMANY IN FAVOR OF SOME FORM OF INTERNATIONAL CONTROL AND THAT NEGOTIATIONS IN EUROPE WILL LEAD US AUTOMATICALLY IN THIS DIRECTION.

I AM ASKING THE STATE DEPARTMENT TO SHOW THIS MESSAGE TO BOB LOVETT SINCE HE PARTICIPATED IN THE DISCUSSIONS HERE AND MAY WISH TO COMMENT DIRECTLY TO YOU. I SHOULD HOPE THAT IN VIEW OF OUR SPECIFIC RETENTION OF FINAL APPROVAL IN WASHINGTON THAT HE WOULD JOIN IN MY RECOMMENDATIONS.

/s/ ACHESON

~~TOP SECRET~~

PARAPHRASE NOT REQUIRED. CANCELLED CONTINUATION BEFORE DECLASSIFICATION.

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19-M

TELETYPE UNIT

Action
33

Control: 10659

Rec'd: February 25, 1952
8:19 a.m.Info
DCR
DCISM

FROM: Lisbon

TO: Secretary of State

RE: ACTEL 8, February 25, 10 a.m.

DECLASSIFIED

MIACT

FOR THE PRESIDENT.

Dear Mr. President.

"You will have had our reports on the latest developments in the meeting here. I hope you believe that they are good. This conference will be a success. The only questions remaining are whether (1) it will be a success or a great success and (2) whether other events, such as a government crisis in France or German developments may detract from its success.

As to the first: We have only two problems left here.

(A) Contributions to NATO infrastructure which Bob Lovett is battling out manfully, I think and (B) NATO location and organization, which I believe I have worked out with Eden so that, with luck that will be resolved.

As to the second: (A) France: With complete cooperation and agreement among your Cabinet representatives, we presented a proposal to France within US governmental authority which they have accepted and will present to the French Parliament. No man can do more or predict the result.

B Germany: Adenauer replied today to our proposals on the German contribution to defense. In substance he accepts. In form his govt raised too many points for German internal consumption, that, for French internal consumption the lower levels of the French could not (rpt net) agree on a proposal we made to resolve the problem. This is too bad. If they would have allowed Schuman to meet with Eden, who agreed, and with me, we might have had a grand slam tomorrow with all points on your European policy agreed for submission to Parliaments.

But life is never as clear as this. So the situation is about as foie: The Lisbon meeting has done all and more than was expected. Tomorrow Eden will, I firmly believe, resolve the last problem of the meeting and the financing of infrastructure will permit doing what can be done in the next year.

Then the

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2/25/52 1:27 PM

-2- ACTEL 8, February 25, 10 a.m. from Lisbon, 3m 1053

Then the Lisbon conference will adjourn.

On Tuesday we, the British and I will try and I hope succeed, in concluding between us all German questions including the contribution to defense and the control of industry questions. If Adenauer can agree before we leave Lisbon the structure will be complete. If it could have been agreed upon before the conference adjourned, it would have been better, But I have tried and failed to do this. The second best Four Power agreement on Tuesday is not (rpt not) as good but is pretty good. The third best Three Power agreement on Tuesday and German concurrence shortly thereafter will be good enough.

We are all united doing our best and believe we can achieve either two or three above.

I write this too late at night to be sure that it is all clear or that I am. Most respectfully.

DEAN ACHESON

LMS:MLB:PV.



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TELEGRAPH BRANCH

~~TOP SECRET SECURITY INFORMATION~~

725

Control.
Rec'd11283
February 26, 1952
10:14 a.m.

FROM: Liebon

DECLASSIFIED

TO: Secretary of State

NO: ACTEL 9, February 25, 9 p.m.

Project XLI

PRIORITY

By RLT _____ RALS, C. L.

SENT DEPARTMENT ACTEL 9 REPEATED INFORMATION PARIS 84.

WEBB FROM ACHESON

Please call attention President.

No distribution except Lovett, Snyder, Harriman.

Paris for absolutely eyes only Boessl and Labouisse.

The following represents an agreed memo of coevcreations between the representatives of France and the United States at Lisbon. The French Ministers present were Faure, Schuman, Bureau, Bougues-Maunoury, Gaillard. The American representatives present were Acheson, Lovett, Snyder, Harriman, Bruce, Nash, Draper, Pauley. This English text is now being conformed to French text and is therefore subject to minor changes.

BEGIN TEXT

Mr. Faure stated that he had reviewed with his Ministers the situation of the French defense budget after the previous exchange of views with the representatives of the United States. He indicated that if a total of expenditures for 1952 of 1,400 billion francs is accepted on the understanding that 1,100 billion francs are already provided in the French budget in accordance with the estimates of the "wise men" on the financial capacity of France and on the understanding that 175 billion francs are to be provided by assistance from the United States, a gap of around 125 billion francs still remains. These 125 billion francs would not correspond to an additional armament effort but would just cover the increase in expenditures resulting from (a) the increase in prices (approximately 50 billion francs), (b) the increased requirements for the war in Indo-China not included in the "wise men" estimates of defense expenditures (approximately 60 billion francs), and (c) the requirements for the

French

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MESSAGE IS PROHIBITED

-2- ACTEL 9, February 25, 9 p.m. from Lisbon

French expenditures in 1952 for third-slice infrastructure. Thus, it is to be concluded that a budget of 1,400 billion francs will not make it possible for France to mount adequately twelve equipped divisions. The figure should more reasonably be fixed at ten divisions. If France is to declare itself prepared to attempt one or two divisions in addition to ten divisions, it must be understood that there is no question of these units being placed on a war footing. It is understood at the eighteen month service will not be reduced although administrative changes may be necessary to keep the number of conscripts at an appropriate level.

Moreover, under these circumstances France would have to reduce considerably its armament program with all the major difficulties that that implies on both the industrial and political planes. It is indispensable in this regard that an additional effort by the United States should make it possible for France to avoid a drastic cut in its essential defense production.

Even if the suggested financial solution is adopted, the French Government will be forced to ask for supplementary resources in the amount of 100 to 125 billion francs either under the form of new taxes or in the form of reduction of expenditures now programmed. This action would be in addition to the 200 billion francs in new taxes already projected.

The purpose of the French Government is to check the developing inflation in France, but Mr. Faure stressed that he could not disregard the considerable risks being taken by the French Government in presenting a financial program of this magnitude, nor could he disregard the political consequences that might develop from a French crisis at this time.

He continued that the basic source of the French difficulties arose from the war in Indo-China. The French Government now believed that it would be necessary to spend an additional 60 billion francs to meet the requirements in Indo-China but tomorrow an additional 80 or 100 billion francs might be required. Moreover, the best part of the French officers and NCOs are engaged in the Far East. It is becoming more and more apparent that France is not in a position to carry at the same time the burdens imposed by the war in Indo-China and the necessary contribution to defense in Europe. Mr. Faure said he was compelled state that if a special

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solution to this problem did not soon arrive or if supplementary assistance was not soon allocated, he would be obliged to ask his government to reconsider the program of Indo-China.

Mr. Acheson indicated that the question of the number of divisions was both a military and political program and that he was prepared to discuss the various aspects of the question.

Mr. Bourgeois-Maunoury insisted on the need of keeping any reductions in defense production in France to a minimum. There are two categories of production:

(a). Production not yet undertaken but which is necessary in order to make the French divisions "operational", for example, vehicles. This production could either be replaced by end-item deliveries from the United States or by carrying out an off-shore purchase program in France.

(b). Production contracts which have already been placed and which must be cancelled if assistance from the United States does not enable these contracts to be taken up under an off-shore purchase program.

Mr. Lovett thought that from a political point of view it would be much more preferable for France to plan on twelve divisions in 1952. All the NATO countries in fact envisaged an increase in their number of divisions. It would be very difficult to justify a request for funds from Congress if France did not follow the general rule. However, Mr. Lovett said he understood very well that the two additional divisions would be "skeleton" divisions.

Mr. Fouré indicated that in fact without adequate external aid in end-items the equipment deficit of the French forces would increase by the creation of the additional two divisions.

Mr. Lovett pointed out that military assistance would provide an amount of \$300,000,000 from the funds under the responsibility of Mr. Harrison and an additional \$200,000,000 which would be used in France for off-shore purchases particularly for arms and equipment for the forces in Indo-China. In order to carry out this program of assistance considerable effort would have to be made to work out the necessary administrative procedure.

Mr. Bourgeois-Maunoury believed that a misunderstanding existed.

In addition

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In addition to the \$200,000,000 off-shore purchase program referred to, the French Government believed that in order to maintain an adequate level of production and to avoid the industrial, social and military difficulties which would arise from an excessive cut-back in French production, it was necessary to envisage the passage of off-shore purchase contracts over and above this \$200,000,000 program.

Mr. Lovett replied that it was impossible to give any definite information on what the United States would be able to do to make off-shore purchases over and above the \$200,000,000 foreseen, but that the question could be studied by the experts of the two governments. With reference to the \$200,000,000, these funds could be utilized for placing new contracts representing production in progress if the French Government could carry out the cancellation of these contracts.

Mr. Edgar Faure stated that it would be practically impossible to obtain from the French Parliament a considerable amount of new taxes if at the same time he could not refer to a solution which would give satisfaction to France from the point of view of national defense and French defense production.

Mr. Jean Monnet recalled that the work which had been followed by the TCC with a view to determining the defense burdens of the different countries; speaking to Mr. Harriman he declared that there could be no question but that France would be the country in Europe carrying the heaviest burden this war if the financial solution envisaged was adopted. Italy had not accepted the solution of the "wise men". Everyone knew the position taken by Belgium. The United Kingdom had just declared in a white paper that it would transfer to 1953 a part of its 1952 expenditures which would result in the total of its defense expenditures being approximately equal to those of France even though its national income was one-third higher than that of France. The amount of the French contribution established by the "wise men" at 1,100 billion francs had been one of the important elements of comparison which was used in the establishment of the German contribution. Therefore, as the situation had now developed, France must accept a burden higher than that of any of her partners. Moreover, the other European countries were able to establish firm military programs and to foresee the basis of their financial position while France must accept the uncertainty of additional expenditures at any time for the war in Indo-China. These expenditures over-burdened its economy and

placed in

-5- ACTEL 9, February 25, 9 p.m., from Lisbon

placed in peril the continuation and the execution of the French program for European defense.

Mr. Jean Monnet concluded in affirming his conviction that the weight of the military expenditures that France was going to support were far too heavy. Moreover, the expenditures which would result from the war in Indo-China were necessarily uncertain.

Mr. Edgar Faure called attention again to the consequences which would result from the present situation not with regard to the position of his own government, but also with regard to the policy of western defense which all the NATO countries conduct in common.

Mr. Schuman, making specific reference to the remarks of Mr. Faure on the need for a special solution for Indo-China, or for supplementary assistance, stressed that the program of Indo-China dominated the situation. It had to be examined first by France but also by its Allies. A solution was necessary this year, if not we will be led into an impossible position. The program will impose upon us the gravest decision that is to be taken in the course of 1952.

Mr. Acheson replied that this program of Indo-China was now the subject of a serious examination by the American administration.

It was understood by the representatives of both governments that the memo of understanding, dated the twenty-fifth of February, 1952, was drawn up on the basis of the above discussion.

END TEXT

Text of agreed memo of understanding to be signed this afternoon after conforming French and American texts follows in separate cable.

ACHESON

RWN:RWN

REMARKS OF THE PRESIDENT

ON MEETING SECRETARY OF STATE DEAN ACHESON
AND SECRETARY OF THE TREASURY JOHN SNYDER
AT THE NATIONAL AIRPORT, WASHINGTON, D.C.
UPON THEIR RETURN FROM THE LISBON N.A.T.O. CONFERENCE
FEBRUARY 27, 1952
10.35 A.M., E.S.T.

It is a very great pleasure to me this morning to welcome the Secretary of State and the Secretary of the Treasury -- and I have already welcomed the Secretary of Defense -- from a most successful conference.

I think we have accomplished in the last few days in London, Paris and Lisbon the things we have been working for for the last three or four years.

It is indeed a high privilege of mine to congratulate the Secretary of State and the Secretary of the Treasury on the job they have accomplished.

SECRETARY OF STATE DEAN ACHESON: Mr. President, thank you very much indeed for meeting us and for saying those encouraging and cheering words which you have just said to us.

The four people that you sent over as your representatives worked together as one team all the time we were at this great meeting of Lisbon.

All of us have come back tired, but all of us have come back happy, and in the belief that we have accomplished what you sent us out to accomplish.

Thank you, sir.

SECRETARY OF THE TREASURY JOHN SNYDER: Mr. President, we certainly appreciate your meeting us here. We do feel that these meetings that we have just left have been extremely successful, in that some fundamental decisions were made that are certain to accelerate the European defense force build-up, and I think we are entering the period now where progress will become achievement.

DECLASSIFIED

E.O. 12065, Sec. 3-402

State Dept. Guidelines, March 6, 1932

By DEB NLT, Date 9-10-81OFFICE OF
THE SECRETARY OF STATE
WASHINGTON

August 27, 1952

~~TOP SECRET SECURITY INFORMATION~~SUMMARY OF TELEGRAMS

NATO ANNUAL REVIEW: Mr. Draper has reported an extensive conversation with Lord Ismay, Secretary General of NATO, concerning the background assessment paper which Ismay desires to prepare for the benefit of the North Atlantic Council permanent representatives in connection with the annual review. In outlining his thoughts for this paper Lord Ismay said that the first point he would make is that the Russians are not reckless adventurers but cold calculating men. Consequently, they will not strike unless they are sure to win and the North Atlantic Alliance has now acquired teeth which give them pause. From this he drew the conclusion that if we do not slacken our efforts or fail in our resolution, war is not inevitable but can be averted. This requires, however, an increased and sustained defense effort and in planning it we must make sure that we do not in the process lose the cold war by straining our economic and social fabric.

Secondly, in his paper he will combat the insidious view, which incidentally he says is held in certain high governmental quarters in the UK that we should concentrate on the defense of Europe and somehow end the peripheral wars in Korea and Indochina. Lord Ismay said this point of view must be scotched "for we all know what happened when they called the Roman Legions home."

Finally, NAC should recognize that it is in effect the Cabinet of the North Atlantic Alliance and that one of its responsibilities is to develop from a political point of view and refine the directives to the military commanders. He then elaborated a thought he has expressed before that the present defense plans must be modified along lines of putting more in the shop window and less in the back of the store, on the basic assumption that if war comes the crucial battle will be fought in the first six weeks during which period retaliation would have a chance to make its weight felt. Lord Ismay believes that this would require a substantial revision of the composition of forces with a concentration on immediate mobilizable reserves and an increased emphasis on air.

Draper was impressed and encouraged by the fact that Lord Ismay's attitude was not one of discouragement and that he is increasingly conscious of the role of leadership which he must play in the Council.

~~TOP SECRET SECURITY INFORMATION~~

SOVIET NOTE

ON GERMANY: Our High Commissioner at Bonn has discussed in detail with Blankenhorn, Chief, Political Section, German Federal Republic Foreign Office, the latest Soviet note on Germany. Blankenhorn observed that the note represents an asset for the allied cause and that omission of references to the German National Party was a retreat from the earlier Soviet position which had attraction for the Germans. He felt that the October deadline expressed in the note seemed a little ominous but was gratified by the lack of attention to this point in the initial German press reaction. He expressed surprise and gratification that the first press reports out of Paris indicated a firm French reaction and felt that the note was in large measure, designed to soften the French. Blankenhorn asserted that the Soviet note would not delay ratification of the defense arrangements by the Bundestag and reiterated that the Chancellor was determined to push through ratification as rapidly as possible. He felt we should not fail to respond to the note but should not, however, except a conference on Soviet terms since that would be disastrous. He reported the German Chancellor wished to discuss the Soviet note with the three High Commissioners early next week and that the Federal Republic would withhold official comment on the note until it has fully ascertained allied views on the subject.

INCOMING TELEGRAM

Department of State

TELEGRAPH BRANCH

~~TOP SECRET~~

864

Control: 5591

Rec'd: September 14, 1950
10:54 a.m.

FROM: New York

TO: Secretary of State

RE: SECTO 8, September 14, 10:32 a.m.

NIACT

PERSONAL FOR THE PRESIDENT FROM ACHESON.

In discussions held during first two days Mr. Bevin, Mr. Schuman and I have reviewed the general question of establishment of forces for defense of Europe, possible role of Germany in connection with these forces and reaction of German public opinion, some other technical problems with reference to Germany and the question of admitting Greece and Turkey to the NATO. I have reviewed in detail privately and together with both Ministers the views of the US Government with respect to the establishment of the defense forces, pointing out the great significance of your decision to commit US troops to defense of Western Europe and our feeling that this decision was dependent upon establishment of total collective forces adequate to the task of this defense.

Both Mr. Bevin and Mr. Schuman have expressed their deep gratification over this decision but do not seem to me to have yet grasped its full significance and implications. The major issue which has arisen so far has concerned the utilization of German units in these forces for the defense of Europe. Mr. Schuman has expressed the very strong and firm opposition of his government to any decision which would provide for the recreation of purely German military units. He is apparently under fire instructions on this point, and intimated that no French Government could face the French Assembly or French public opinion with the proposition of reestablishing at this time German units which might in any way build the framework for the possible recreation of a German army. Mr. Bevin did not support our position, but he did not at least oppose it, and his questions served to bring out very clearly and sharply the issues which we have raised. There are intimations that the British will be willing to go along, and we are meeting privately this morning in an effort to find some formula

which the French

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DATE: 11-14-88 BY: 11-27-75

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~~TOP SECRET~~

-2-#SECTO 8, September 14, 10:32 a.m. from New York.

which the French can accept. I think Mr. Schuman personally wishes to help devise such a formula. I believe we are about to reach a satisfactory solution of the issue concerning a central German police force.

Mr. Bevin has challenged our thinking most directly on the question of appointment of a supreme commander for the proposed new forces. He feels that it is essential to establish the supreme command relationship immediately in order to give firm and strong direction to the early steps of this force. He seems to want us to contribute a supreme commander as a stimulus to European action, instead of accepting our view that they must first demonstrate their capacity and willingness to act. Mr. Schuman agrees with Bevin that the recent experience of the Brussels Pact countries under a combined staff has not been happy, but he agrees with us that it is not desirable or necessary to appoint a supreme commander until there are forces in being. We may finally have to agree to recommend to the NAT Council that this question be referred to the Defense Ministers for their recommendation as to the best manner in which to handle this from a military standpoint, which they will be asked to review on an urgent basis along with questions of the organization and composition of the proposed forces. We expect to state this in such a way as not to compromise our position.

The US proposal turning down the Turkish request for admission to the NATO was accepted by the Ministers but only after Mr. Bevin had urged that this might better be handled by a reaffirmation of the French and British treaty with Turkey and a strong declaration by the US in support of that country. I pointed out that we already have heavy commitments in proportion to our military strength, and that while we could undoubtedly meet aggression in Turkey as we would in any other part of the world, we could not at this time undertake a further commitment. We did desire, however, that both Turkey and Greece be allowed to associate themselves with the planning activities of the NATO in the Mediterranean area.

On the other questions concerning Germany and the NATO satisfactory progress has been made in our discussions so far, though the rate has been so slow that meetings will probably be held on next Monday before the opening of the General Assembly and perhaps occasional meetings after that to firm up our planning on the forces for European defense.

We will start

~~TOP SECRET~~

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-3-#SECTO 8, September 14, 10:32 a.m. from New York.

We will start this morning our discussion of Far Eastern questions but I told Mr. Bevin and Mr. Schuman privately yesterday our position on a Japanese peace treaty.

Mr. Bevin since his recent illness has not recovered his old vigor and this factor has slowed up our proceedings.

ACHESON

MRM:CM

Note: Advance copy to S/3 9/14/50, 11:05 a.m., JRL.

~~TOP SECRET~~

INCOMING TELEGRAM

Department of State

M-X

TELEGRAPH BRANCH

384

 Action
SS

 Control: 6034
 Rec'd: September 15, 1950
 1:23 a.m.

 Info
DCR

FROM: New York

TO: Secretary of State

RE: SECTO 13, September 15, 12:15 a.m.

DECLASSIFIED

 C.A.B. M.D. 1950-10-16
 PAGE 1229
 NLT: M. NAME 11/27/79

PRIORITY

PERSONAL FOR THE PRESIDENT FROM ACHESON.

After two days of conference which had persistently failed in coming to grips with the central problem of the defense of Europe, I asked for and obtained a private conference attended only by me, Bevin, Schuman and our three High Commissioners for Germany. The purpose of this talk was to get away from minor difficulties of language and really reach the essence of the problem. This purpose was achieved; and, while the results were immediately discouraging, I think that we may be getting somewhere.

I pointed out that you had been able to bring about a complete revolution in American foreign policy, based upon the realists of the international situation. We were prepared to take steps which were absolutely unprecedented in our history, to place substantial forces in Europe, to put these forces into an integrated force for the defense of Europe, to agree to a command structure, to agree to a supreme commander, to join in a program for integrating European production, to take far reaching steps in the financial field, but all based upon the expectation that others would do their part, and that the entire scheme would result in the creation of such power that chances of peace would be immeasurably improved; and, if contrary to our hopes and beliefs war should come, we had a first class chance to win it. I went on to say that this involved a defense in Europe as far to the east as possible and that such a defense was not possible without facing squarely and deciding wisely the question of German participation. I pointed out that in our discussions the British and French had been prepared to accept what we offered, had been reticent about their contributions; and had flatly refused to face in any way the question of German participation. I, therefore, wanted to talk about this question with the gloves off and see exactly where we stood.

The ensuing discussion brought out very clearly two fundamental facts. The first was that Bevin, who really agreed with me, had been

109 1229

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-2- #SECTO 13, September 15, 12:15 a.m. from New York.

had been put under wraps by his government and was not permitted to say anything. This grows out of the current debate in the House of Commons on this very subject, in which the Labor Government has a pathological fear of Churchill and does not dare say anything for fear that it will leak to the American press and be used by Churchill in the debate. I hope that this situation is not permanent and may clear up in the near future.

On the part of Schuman the difficulty was deeper. His attitude was that he was not able or willing, as the spokesman of his government, to take any decision even on principle in regard to German participation until the forces of the Allies had been so strengthened in Europe that the French Government could face the psychological reaction to the creation of German armed force.

When it became clear that neither man had any discretion and that therefore argument could not result in any immediate change of position, I suggested that we examine the positions taken by each of them solely for the purpose of clarifying our minds so that when they had some flexibility returned to them, we would understand how each of us thought about the various points.

I think it fair to say that this discussion was useful. It completely blew out of the water the practicality of leaving the beginning of the formation of German military units until the Allied forces were completely supplied with equipment. I think it destroyed any logical basis to their fear that the bringing of Germans into the creation of Allied strength in the west increased the possibility of preventive war by the Russians as against the mere creation of Allied strength. I think we showed that it was quite possible to deal with the German Government on the issue, not as supplements, but merely as agreeing to proposals already made by Adenauer to contribute units to European forces and to force him to accept conditions to our acceptance of his proposal.

All this was useful, but the discussion ended with one situation quite clear: that they were prepared to accept what we offered but they were not prepared to accept what we asked. In this situation I am taking the attitude, not that we are imposing specific conditions, but that we are unable to proceed with the discussion until their attitude is made more clear. The result is the same but the words are different. The result is that no agreed papers on the

matters on

-3- #SECTO 13, September 15, 12:15 a.m. from New York.

matters on which they are ready to agree will issue from our delegation. We have ended the first part of our tripartite meeting with communiques which cannot announce decisions and, therefore, says merely that we are continuing our discussions in the Council and will resume them next week.

In the Council meetings I intend to argue the issues all over again and have already been assured of vigorous support from the smaller European countries. It seems highly unlikely that we can reach satisfactory conclusions by Saturday night, but I feel sure that the British and French will become increasingly uncomfortable on their seats. It may be that we shall have to have further meetings. It may be that I shall have to come back to you for further instructions before the matter goes too far. For the present there is no need for you to worry, although I think you must face the strong possibility of leaks to the press and stories that all is not going well. I feel reasonably sure that we can work this out; that it may be a question of whose nerves last longer, but that it just must come out in the right way.

I am dictating this wire to you myself so that you may know my mind fully and instruct me at any point where you think I may be wrong or give me any guidance which you want me to have. I shall keep you fully and intimately informed.

ACHESON

SMD:WW

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INCOMING
MESSAGE

~~TOP SECRET~~
DEPARTMENT OF THE ARMY
STAFF COMMUNICATIONS OFFICE

NLT(PSF-SAS) 103

TOP SECRET

PARAPHRASE NOT REQUIRED

STATE DEPT MSG

FROM: USUN NY 303 ACHESON

TO: SECRETARY OF STATE

NR: SECTO 40

REC'D BY STATE

23 SEP 50

23 SEP 50

Department pass Paris, London, Defense; sent Department SECTO 40, repeated Paris unnumbered, London unnumbered, Defense unnumbered.

Following is summary of seventh session, tripartite meetings with Foreign Ministers and Defense Ministers, September 22, 11:30 a.m.

Secretary reviewed the problem of European defense force for the benefit of the Defense Ministers and asked the Defense Ministers to advise the Foreign Ministers in making progress for decisions on the EDF.

Schuman noted that his personal views in the previous talks had been confirmed in consultations with French Government and by Hoch. Minority in French Government would prefer to reject the proposal of use of German units for all time. Majority would allow discussion of German units if certain conditions are met.

1. A central European force must be created and be strong enough to be effective before German units can be considered.

2. The program of aerial, outweighing the question of manpower must be answered. Decision on German participation premature and dangerous and would not be advantageous in initial stages of planning. Decision impossible to keep secret and publicity would make achieving goal more difficult. Noted that there was a marked slow-down in general Schuman Plan discussions since start of talks on European defense force due to question in German mind as to necessity of making ef-

CM IN 14614

(23 Sep 50)

DECLASSIFIED

C.A. 95-11, 1958 Vol. II
PAGE 330
DATE 10 MAR 2007

FOR: 1902/23 SEPT 0
CHART ROOM (6A)
RTD: PALMER

23 SEPT 1:30 AM

DCR(55-56)...MARCOM(57-60)...DCNO FIVE(61-62)...NAVAIDC(63)...CHART ROOM(6A)
SECNAV(65-68)...202(69)...

~~CONFIDENTIAL~~
INCOMING
MESSAGE

~~TOP SECRET~~

DEPARTMENT OF THE ARMY
STAFF COMMUNICATIONS OFFICE

~~TOP SECRET~~

NR: SECTO 40

PAGE 2

forte in economic field if they become equals militarily. Believed it was premature to discuss question, much less make a decision now.

Devin stressed prevention of World War III, the creation of a force as deterrent to USSR and noted growing impatience in UK with the slow progress in achieving unified force. Believes question of German participation economic but government tries to meet points of view of other two. Main consideration is the maintenance of initiative achieved in last few months by taking advantage of situation which has served to weld together the forces we need to meet all provocations. Pointed out steps taken to put US and UK troops in Europe and stated US and UK had right to a decision on German participation before troops were actually committed. These factors, along with arguments of the Dutch, has made UK Government agree in principle to participation of German units. Agree that defense force should be strong enough for establishment of a central command before implementation of decision to which the Ministers should now agree in principle. Mentioned that political forces impel haste in deciding now on this question but stated that whatever government in power in UK British people were firmly opposed to leaving door open to possible future aggressions.

Secretary noted that NA Council had reached point where decision must be made for the guidance of the meeting of Defense Ministers in October. Agreed with Bevin integrated force must exist before German units participate. Noted ease of agreement on questions raised by French on supplying material and the priority of NATO countries in obtaining armaments. At Secretary's question Schuman agreed that France did not mean to wait until the completion of the medium term plan before deciding on use of German units. Secretary stated that if US Government goes to people with this unprecedented commitment of US forces and takes responsibility in the command it must not leave in doubt the ability to receive the military help the US thinks is necessary because of indecision among Allies.

CM IN 14614

(23 Sep 50)

B.F.

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MESSAGE

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DEPARTMENT OF THE ARMY
STAFF COMMUNICATIONS OFFICE

~~TOP SECRET~~

NR: SECTO 40

PAGE 3

Moch noted that the Government of France unanimous in backing Schuman's statements and except for Communists there would be unanimity in Parliament on German question. Stressed adverse effects in increased USSR psychological warfare if decision were known. Manpower was not prime consideration in total western defense problem. France has 1,200,000 trained men which can be called upon and is prepared to provide the 20 divisions required of them. The real problems to be faced were:

- (1) Acceleration of efforts to complete MTP by 1952 or end 1951.
- (2) Necessity for strategic placement of forces in Germany regardless of present zones.
- (3) Need for decisions on types of equipment necessary to get armament production under way in France.
- (4) The problem of financing which Moch did not wish to discuss at this time.
- (5) Economic steps to be taken to prevent more rise in prices of raw materials.

Moch concluded that there were two urgent questions needing study before consideration of German participation: first, overcoming obstacles to the achievement of MTP, and second, German participation in the initial phase in production and infrastructure.

Note: Relayed to Paris, London, and Department Defense.

ACTION: G3

INFO: CSA, G2, G4, JCS, SLD, NAVY, SEC DEF, OAGG, OMA, OOA, CSA

CN IN 14614

(23 Sep 50)

DTG 23 Sep/1:30 am Jw/4

~~TOP SECRET~~

NR: SECTO 41

PAGE 2

Marshall noted agreement with Bevin on psychological importance for maintaining initiative and with Shinwell on military situation and timing. Indicated that there would be no problem of priorities for NATO countries if the US can plan on participation of Germany now. Noted US as well as French have problem with their legislatures. If the US administration cannot assure Congress that all available means in Germany would be utilized to achieve an effective European force there would be a serious problem regarding the appropriations for western defense. Recognized problems of the French and asked for their solution of this problem.

Mooh noted that the French Parliament would be unanimous against the use of German divisions and indicated it was necessary to obtain the answers to following questions before the French position could be made clear:

1. How many German divisions are contemplated?
2. How many US divisions will be sent to Europe?
3. When can the US send them?

Mr. Bevin suggested that these questions be answered in a private meeting between the three Defense Ministers.

Mr. Schuman asked what positive steps could be taken if agreement were reached and whether it were not enough to agree that Germany would assist in supplying labor, materiel and defense works. Noted that studies could be immediately initiated to find out how Germany might assist without use of military units. Secretary referred to point made by Shinwell that German manpower would have to be used at some time and that it was necessary to plan for equipment such units eventually or it was possible that a shortage might develop when Germany is brought in at a later time.

NR: SECTO 41

PAGE 3

Mr. Schuman stated that it was not possible for him to agree even to the ultimate use of German units and noted that French Government would be ready in nine months to consider the problem. In the meantime the idea is not rejected. Moeh noted that once production is begun it is possible to increase output and since NATO countries would have priority on all available arms no time would be lost by postponing decision on problem. With regard to the justification of defending Germany he noted that our intention was not to defend Germany as such but to preserve freedom in Europe and to take advantage of our occupation of Germany to fight further from the bulwarks of our own frontiers. Schuman explained that nine months' time would allow for further discussions in the Cabinet and in Parliament and to sound out public opinion. Noted that authorization for HICOM to discuss issue with German Government did not imply acceptance of principles by French Government.

It was made clear that French did not wish to prohibit discussions of problem at this time. Secretary pointed out there must be meeting of minds on number of German divisions required, how they are to be commanded and other military matter. The problem for the US was whether it would be able to tell Congress that Germans were going to share the burden of fighting with US troops on German soil.

During a recess the Defence Ministers met in private and said they had reached agreement on ten intermediate measures to be taken in Germany which Marshall put before them. Ministers then agreed to work out through officials the following documents:

1. A statement of the agreement on intermediate points referred to above for use only by the Ministers of the three powers.
2. A resolution to be proposed in the Council.

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MESSAGE

DEPARTMENT OF THE ARMY
STAFF COMMUNICATIONS OFFICE

NR: SECTO 41

PAGE 2

3. A draft communique for the Council.

It was agreed that the essence of the agreement should be communicated to Stikker and Van Zeeand. Ministers adjourned until 10 a.m., Saturday, September 23.

NOTE: Relayed to Paris, London and Defense

ACTION: 03

INFO: CSA, 02, 04, JCS, 3DIO, SEC DEF, OAGO, OMA, OOA, OSA,
NAVI

CM IN 14615

(23 Sep 50)

DTG 23 Sep/1:30 am Ju,

~~TOP SECRET~~

COPY NO.

TELEGRAPH BRANCH
SECRET SECURITY INFORMATION

26-4
Action
SS FROM: Lisbon
Info RE: Secretary of State
BCR RE: ACTEL 16, February 26, 9 p.m.
BCRM

Control: VR-298
Rec'd. February 26, 1952
6:30 p.m.

RIACT.

Please deliver following message soonest possible to President.

"Dear Mr. President, Our last meeting--one with Eden and Schuman--has just ended and I send you this brief report. Details will follow. Recalling my midnight note of 2 days ago, I can report that we have something pretty close to a grand slam. Only 2 questions remained after yesterday afternoon. The first was to get German agreement on their financial contribution to defense. Work here nearly all last night and in Bonn all this morning has secured that agreement. The other question was to get tripartite agreement on a proposal to the Germans on control of armament production which would not undo what has been accomplished in Germany and which has a chance of acceptance. We got that this afternoon.

"That finishes the docket, I hope and believe successfully.

"John and I, the last of the Four Musketeers, leave tonight and will report to you when you can see us.

"Most respectfully. Dean Acheson".

ACHESON

AB:DGP

NOTE: Mr. Mansull (SS/R) Informed 7:45 P.M. 2/26/52
(CWO) FME



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NSC LETTER 12-1-63

Project ET... 83-18

By NLT: HLG Date: 12-24-83

B F I

SECRET SECURITY INFORMATION

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TELEGRAPH BRANCH

~~SECRET SECURITY INFORMATION~~28-B
Action
33Control. Y603
Rec'd. February 16, 1952
5:55 p.m.
DECLASSIFIEDInfo
DCR
DCRM

FROM: London

TO: Secretary of State

MSG. ACTEL 2, February 16, 9 p.m.

Project NLT

By NLT: Hue M.J.S. Date 12-14-63

NIACT.

PLEASE DELIVER EARLIEST FOLLOWING TO PRESIDENT AS PERSONAL MESSAGE FROM SECRETARY. ALSO FURNISH COPY AS SOON AS POSSIBLE TO ACTING SECRETARY.

One of the matters which we find in discussions which we have had with Eden alone and with Eden and Schuman together is the intense worry of French over the possibility that the Germans having begun their rearming might secede from European Defense Community and shake themselves loose from association with and control by Western Europe. This had already become apparent in the message which Schuman sent to me before I left Washington. This has now reached the point where French Govt has included in proposed compromise draft resolution on EDC a recommendation from the Parliament to the Govt "to ask British and US Govts to guarantee the undertakings made with respect to EDC against breach or violation of treaty by one member nation, this guarantee being realized (realized) by maintenance of sufficient US and British troops on the European Continent as long as it appears necessary". These troops would be in effect the so-called guarantee. This question of a "guarantee" was discussed by Schuman with Eden and me. Eden has some sort of Cabinet approval for a "guarantee", the exact force of which is not decided but which in his words will put Great Britain against anyone who breaks out of the ring.

I said to them that the President had under consideration the possibility of stating in his message to the Congress transmuting contractual agreements with Germany that this whole arrangement was premised upon Germany's joining in and loyally adhering to the EDC and should that supposition prove unfounded, it would be a matter of greatest concern to the US. They were interested in the possibility of our going further. I said to them that I believed the President would feel in the political situation existing in the US at this time that he must stay within policies which already had strong and expressed Congressional approval. Fortunately, there were such policies. In the ECA and MSA legislation and separate resolutions of

the House

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-2-#ACTEL 2, February 16, 9 p.m., from London.

the House and Senate, Congress has gone on record many times in insisting that American policy support in the most emphatic way the integration of Europe. Certainly the EDC represented that policy. Also Congressional resolutions, particularly those relating to troops for Europe, had approved the maintenance of our forces in Europe as long as those might be necessary for the security of the West. The latter was along the lines of what had been suggested to the French Parliament as a guarantee of the integrity of the EDC. Therefore, we must keep our action along lines of this sort.

In our discussion with Schuman and Eden, one or the other of them suggested we must relate these two matters. That is, our interest in integration and the presence of our troops in Europe. Today we further discussed this with Eden and everyone agreed this was most unwise. I said I understood that Adenauer would take a most adverse attitude toward any position which appeared to be directed solely against Germany. Therefore, whatever was done must be general in scope. It also came out clearly that the problem was not merely a German problem, but might result equally from Communist developments in Italy or De Gaulle's developments in France and that, therefore, the lines must clearly be general. It must be made clear that our troops are not in Europe to police the obligations of friends but to prevent aggression from without. Any suggestion to the contrary would be most disadvantageous.

Eden believes that some statement along the guarantee lines should be made prior to or at Lisbon. We have expressed grave doubts about that. We have felt that any statement on behalf of the US should be made by you either at the signing of the EDC treaty or the submission of the contractual relations to Congress or both and should not be put out here. It should be done only after you have had a chance to lay a foundation with the Congressional leaders showing that what you had done was well within the line already laid down by Congress. We might, however, make a statement at the end of the quadripartite meetings in London which would not carry any connotation of guarantees, but would underline the basic character of EDC as fundamental to the contractual agreements and our future relations with NATO.

It is possible that it might be desirable for the British, if they wished, to make a separate statement on this subject of guarantees in the near future. This could be made before the US made any statement. In thinking about this possibility, we ought to have in mind that one of the great criticisms in the US of British is their aloofness to the EDC and to

continental

-3-#ACTEL 2, February 16, 9 p.m., from London.

continental European arrangements generally. Here might be an opportunity where the British could take the initiative and disarm a great deal of criticism. As I have said, I am not clear what Mr. Eden has in mind, but if it is constructive as I believe it to be, their making an announcement before we did ought to be an act which would be gladly accepted in the US and on the continent. Therefore we should not oppose a statement by the UK just because it preceded whatever action the US might take.

Since this was dictated we have had word from Paris that Mr. Schuman in the French Parliament has made statements which to say the least put the rosiest light upon our exploratory talks. We have not wished to make his task harder by engaging in a battle of statements, but have tried to guide the press into the line that our talks were exploratory within the limits of existing and expressed Congressional policy.

ACHESON

BA:EW

NOTE: Mr. Kitchen (SS/R) notified 2/16/52 7:55 p.m. TMM



THE WHITE HOUSE
WASHINGTON



To the Secretary of State,
London.

Your 7603 of 2/16/52, seems
to me to be the right approach.
The French Govt seems to
have reached a conclusion
which can make Lisbon
Conference a success.

Keep the British and the
French on the objective as
your message shows you
are doing. The President.

NOT FOR RELEASE

NOT FOR RELEASE

NOT FOR RELEASE

CONFIDENTIAL- The following message of the President is for automatic release at 1230 p.m., E.S.T., June 7, 1952. No portion, synopsis, or translation may be published or broadcast before that time.

PLEASE GUARD AGAINST PREMATURE PUBLICATION OR ANNOUNCEMENT.

JAMES EARL
Secretary to the President

TO THE SENATE OF THE UNITED STATES.

I transmit herewith for the consideration of the Senate a copy of the Convention on Relations between the Three Powers and the Federal Republic of Germany, signed by the United Kingdom, the French Republic, the United States, and the Federal Republic of Germany at Bonn on May 26, 1952, to which is annexed the Charter of the Arbitration Tribunal. I also transmit a copy of a protocol to the North Atlantic Treaty involving security guarantees to the members of the European Defense Community by the Parties to the North Atlantic Treaty, signed at Paris on May 21, 1952. I request the advice and consent of the Senate to the ratification of these two documents.

In addition, I transmit for the information of the Senate a number of related documents, including a report made to me by the Secretary of State; three additional Conventions with the Federal Republic of Germany related to the main Convention; the Treaty Constituting the European Defense Community; a declaration made by the United States, the United Kingdom and the French Governments at the time of the signing of this Treaty; and the Treaty Constituting the European Coal-and-Steel Community.

Together these documents constitute a great forward stride toward strengthening peace and freedom in the world. They are all concerned directly with Europe, but they have world-wide significance.

Three main purposes will be accomplished by these documents:

First, they will restore the Federal Republic of Germany to a status which will enable it to play a full and honorable part in the family of nations.

Second, they will create a common defense organization for six European countries, including the Federal Republic of Germany, and associate that common defense organization with the North Atlantic Treaty. This will greatly strengthen the defense of Europe and the free world against any aggression.

Third, they will constitute additional major steps toward unity among the countries of Western Europe -- which is so important for peace and progress in that area.

These purposes are all interrelated, and they all serve the common objective of the free nations to create conditions of peace, based on freedom and justice, in accordance with the principles of the United Nations Charter.

It has been a major objective of the United States to help bring about an independent, democratic, and united Germany, and to conclude a treaty of peace with such a Germany. That is still our policy, and will continue to be. Unfortunately, as all the world knows, the Soviet Union, while professing a desire for German unification, has by its actions and policies prevented unification and the creation of a free all-German Government with which a treaty of peace could be negotiated.

(OVER)

Final copy filed. 882-1-7

Under these circumstances, the United States, France and Great Britain, four years ago, gave the people in Western Germany the chance to create their own democratic Government. They worked out their own constitution, and since September, 1949, the Federal Republic of Germany has taken an increasing responsibility for governing the three-fourths of the German people who are free from Soviet control. During this time, the German Government has demonstrated that it is democratic and responsive to the will of the free people of Germany, and that it is able and ready to take its place in the community of free nations and to do its share toward building peaceful and cooperative relationships with other free countries.

Over the last three years, there has been a continuing process of relaxing occupation controls on the one hand and increasing the scope of the German Federal Government's responsibility on the other. Last October, the United States and many other countries concerned ended the technical state of war which had existed with Germany. In these ways, we have gradually been moving away from the original relationship of conqueror and conquered, and moving toward the relationship of equality which we expect to find among free men everywhere.

Now we are taking another major step in this direction. By the Convention on Relations between the Federal Republic and the United States, France, and Great Britain, we are restoring to the free German people control over their domestic and external affairs, subject only to certain limited exceptions made necessary by the present international situation. These exceptions relate to the stationing and security of Allied forces in Germany, to Berlin, and to questions of unification, a peace settlement, and other matters concerning Germany as a whole. When the new Convention goes into effect, the Occupation Statute will be repealed, the Allied High Commission will be abolished, and relations between the Federal Republic and other countries will be placed on the customary diplomatic basis.

But the Convention on Relations was not, and could not be, prepared on an isolated document, because it does not meet the full problem confronting the free people of Germany and those of other free countries. In order to provide for the security of the Federal Republic, and to ensure against any revival of militarism, arrangements were worked out under which the Federal Republic is joining in establishing the European Defense Community -- the common defense organization of six continental European countries. As a member of this Community, the Federal Republic will be able to make a vital contribution to the common defense of Western Europe without the creation of a national German military establishment. The European Defense Community, with a common budget and common procurement of military equipment, common uniforms and common training, is a very remarkable advance, representing as it does a voluntary merging of national power into a common structure of defense.

As an additional vital safeguard for peace and freedom in Europe, the German Federal Republic, as a member of the European Defense Community, is joining in reciprocal commitments between the members of that Community and the members of the North Atlantic Treaty organization. The protocol to the North Atlantic Treaty extends the application of the guarantee of mutual assistance expressed in Article 5 of the Treaty to providing that an attack on the territory of any member of the European Defense Community, including the German Federal Republic, or on the Community's forces, shall be considered an attack against all the parties to the Treaty. A reciprocal guarantee is extended to the North Atlantic Treaty partners by the members of the Community in a protocol to the Treaty Constituting the European Defense Community.

Thus, these various documents constitute an integrated whole. The United States is a party only to the Convention on Relations (and the related Conventions) and to the protocol to the North Atlantic Treaty, but the Treaty Constituting the European Defense Community is

an essential factor in the new relationship which the Conventions establish. It is expressly provided that the Conventions with the Federal Republic, the Treaty Constituting the European Defense Community, and the protocol to the North Atlantic Treaty will come into force simultaneously, thus ensuring the complete interrelationship of all of them. The participation of the Federal Republic in the European Coal-and-Steel Community (the Schuman Plan) and the European Defense Community, and the resultant transfer to European agencies of authority over the basic industries of the participating countries and over military activities are the strongest safeguards for the future security of Western Europe. The successful creation of these European institutions makes possible the removal of special restraints which have hitherto been imposed on the Federal Republic and thereby enables the latter to participate in Western defense on a basis of equality.

Thus, while not a party, the United States has a direct and abiding interest in the success and effectiveness of the Treaty Constituting the European Defense Community and in the continuing existence of this Community as constituted. By virtue of the North Atlantic Treaty and the Conventions on Relations between the Three Powers and the Federal Republic of Germany, the United States has demonstrated its lasting interest and binding ties with the Atlantic and European communities of nations. By its adherence to the Treaty Constituting the European Defense Community and the Convention on Relations, the Federal Republic has linked its future with that of the Community and of the participating countries. It is therefore evident that the United States has acquired a very great stake in the maintenance of the institutions the relationships thus established the world consider any act which would affect their integrity or existence as a matter of fundamental concern to its own interests and security. I stress this point in order to make clear the relationship between the Conventions, the Treaty Constituting the European Defense Community, the the North Atlantic Treaty, and between the parties to these various agreements.

The documents I am transmitting to the Senate today are real and significant steps forward toward peace and security in Europe and the whole free world. These actions threaten no one; their only targets are fear and poverty. They will allow almost 50 million free German people to take a further great stride toward independence and self-government, and to join with their neighbors in self-defense. These moves are clearly in the direction of a just and lasting peace; only those with aggressive intent could have any objection to them.

The articles represented by these documents will not, of course, wipe out the basic conflicts of policies which underlie the current tense international situation. But they will, when ratified by the various countries concerned, bring about a fundamental change in the relationships between the free people of Germany and their friends in the free countries of the world. Under this new relationship we will all be able to work together more fully and more effectively to combine our strength not only to deter aggression, but also to bring about the economic and social progress, and the more harmonious and friendly international relations, to which all free men aspire.

I recommend that the Senate give early and favorable consideration to the Convention on Relations and to the protocol to the North Atlantic Treaty transmitted herewith, and give its advice and consent to their ratification in order that this great contribution to the strength and unity of the free world can become a reality.

JOHN F. KENNEDY

THE WHITE HOUSE,

June 7, 1952.

CONFIDENTIAL: The following address of the President, to be delivered before a joint session of the Congress today, March 17, 1945, MUST BE KEPT IN THE STRICTEST CONFIDENCE and no portion, synopsis or imitation may be given out, broadcast or published UNTIL DELIVERY HAS BEGUN.

EXTRAORDINARY CARE MUST BE EXERCISED TO AVOID PREMATURE PUBLICATION OR RADIO ANNOUNCEMENT.

The same caution applies to all newspapers, radio commentators and news broadcasters, both in the United States and abroad.

CHARLES C. ROSS
Secretary to the President

MR. PRESIDENT, MR. SPEAKER, MEMBERS OF THE CONGRESS:

I am here today to report to you on the critical nature of the situation in Europe. I do recommend action for your consideration.

Rapid changes are taking place in Europe which affect our foreign policy and our national security. There is an increasing threat to nations which are striving to maintain a form of government which grants freedom to its citizens. The United States is deeply concerned with the survival of freedom in those nations. It is of vital importance that we act now, in order to preserve the conditions under which we can achieve lasting peace based on freedom and justice.

The achievement of such a peace has been the great goal of this nation.

Almost three years have elapsed since the end of the greatest of all wars, but peace and stability have not returned to the world. We were well aware that the end of the fighting would not automatically settle the problems arising out of the war. The establishment of peace after the fighting is over has always been a difficult task. And even if all the Allies of World War II were united in their desire to establish a just and honorable peace, there would still be great difficulties in the way of achieving that goal.

But the situation in the world today is not primarily the result of the natural difficulties which follow a great war. It is chiefly due to the fact that one nation has not only refused to cooperate in the establishment of a just and honorable peace, but -- even worse -- has actively sought to prevent it.

The Congress is familiar with the course of events.

You speak of the sincere and patient attempts of the democratic nations to find a secure basis for peace through negotiation and agreement. Conference after conference has been held in different parts of the world. We have tried to settle the questions arising out of the war on a basis which would permit the establishment of a just peace. You know the obstacles we have encountered. But the record stands as a monument to the good faith and integrity of the democratic nations of the world. The agreements we did obtain, imperfect though they were, could have furnished the basis for a just peace -- if they had been kept.

THE SECRETARY OF DEFENSE
WASHINGTON

NLT (PSF.GEN) 201

31 JAN 1951

Dear Mr. President:

At their recent meetings in Brussels the North Atlantic Treaty Organization agreed that "a Supreme Allied Commander Atlantic should be appointed as soon as possible after the appointment of a Supreme Allied Commander Europe (General Eisenhower)." The North Atlantic Treaty Organization has agreed that he should be a United States officer and with terms of reference comparable to those of General Eisenhower.

The Joint Chiefs of Staff have recommended that Admiral William M. Fechteler, United States Navy, be designated the Supreme Allied Commander Atlantic. Secretary Acheson and I concur in Admiral Fechteler's designation and request your agreement. I attach a letter from you to Admiral Fechteler as the basis for the appointment. This letter designates him as Supreme Allied Commander Atlantic and assigns to him the operational command of United States Armed Forces assigned to the United States Atlantic Command.

Since the Defense Committee had proposed such an appointment as long ago as October 21, 1950, and the North Atlantic Council's approval given on December 19, 1950, I consider an early conclusion to this action desirable if political circumstances permit.

If you approve of this appointment the necessary affirmation by the North Atlantic Treaty Organization will be secured in a manner similar to that of General Eisenhower. Our United States Representative to the North Atlantic Council Deputies, Ambassador Spofford, will state that the United States considers it propitious to proceed with the appointment and is prepared to make the nomination if other governments are in accord. Admiral Fechteler's name would then be submitted to the Council Deputies and the Defense Ministers for their agreement to the appointment in the form of a joint resolution. Upon completion of this formality a coordinated news release, in which your letter to Admiral Fechteler would be made available to the press, would conclude the necessary action.

Respectfully yours,



Enclosure "

The President

The White House

DECLASSIFIED

E.O. 12065, Sec. 3.2

DOD Directive 5100.30, Jan 22, 1967

By NLT: HW NARS, Date 11-2-83

must be afforded some measure of protection against internal and external aggression. The movement toward economic cooperation has been followed by a movement toward common self-protection in the face of the growing menace to their freedom.

At the very moment I am addressing you, five nations of the European community, in Brussels, are signing a 50-year agreement for economic cooperation and common defense against aggression.

This action has great significance, for this agreement was not imposed by the decree of a more powerful neighbor. It was the free choice of independent governments representing the will of their people, and acting within the terms of the Charter of the United Nations.

Its significance goes far beyond the actual terms of the agreement itself. It is a notable step in the direction of unity in Europe for the protection and preservation of its civilization. This development deserves our full support. I am confident that the United States will, by appropriate means, extend to the free nations the support which the situation requires. I am sure that the determination of the free countries of Europe to protect themselves will be matched by an equal determination on our part to help them to do so.

The recent developments in Europe present this nation with fundamental issues of vital importance.

I believe that we have reached a point at which the position of the United States should be made unmistakably clear.

The principles and purposes expressed in the Charter of the United Nations continue to represent our hope for the eventual establishment of the rule of law in international affairs. The Charter constitutes the basic expression of the code of international ethics to which this country is dedicated. We cannot, however, close our eyes to the harsh fact that through obstruction and even defiance on the part of one nation, this great dream has not yet become a full reality.

It is necessary, therefore, that we take additional measures to supplement the work of the United Nations and to support its aims. There are times in world history when it is far wiser to act than to hesitate. There is some risk involved in action — there always is. But there is far more risk in failure to act.

For if we act wisely now, we shall strengthen the powerful forces for freedom, justice and peace which are represented by the United Nations and the free nations of the world.

I regard it as my duty, therefore, to recommend to the Congress those measures which, in my judgment, are best calculated to give support to the free and democratic nations of Europe and to improve the solid foundation of our own national strength.

First, I recommend that the Congress speedily complete its action on the European recovery program. That program is the foundation of our policy of assistance to the free nations of Europe. Prompt passage of that program is the most telling contribution we can now make toward peace.

The decisive action which the Senate has taken without regard to partisan political considerations is a striking example of the effective working of democracy.

Detailed appropriation requests for these additional amounts are in preparation by the National Military establishment and will soon be submitted to the Congress. The need for other appropriations for related national security purposes is now under consideration, and estimates for their appropriations will be submitted to the Congress if necessary.

The proposed appropriations are intended to round out and balance our national security program. They are necessary to enable us to meet our international responsibilities.

It is my earnest hope that on the basis of the increase in our foreign aid programs and the limited increase in our present military strength, we can achieve a substantial lessening of present international tension and move forward toward our goal of securing a just and lasting peace.

Respectfully yours,

HARRY S. THOMAS

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Following is the text of the letter to the President from the Director of the Bureau of the Budget:

April 1, 1948

The President

The White House

Sir:

I have the honor to submit herewith for your consideration a draft of a proposed provision for a contract authorization of \$375,000,000 for the Treasury Department, in the form of an amendment to the Budget for the fiscal year 1949, as follows:

TRADING DEPARTMENT

Bureau of Federal Supply

On page 883 of the Budget, column 2, under the head "Strategic and critical materials," line 11, preceding the action insert a semi-colon, followed by the words "and in addition to the amount herein appropriated, contracts may be entered into for the purposes of the said Act of July 23, 1946, to an amount not in excess of \$375,000,000".

This contract authorization is required to permit the Bureau of Federal Supply to enter into long-term contracts for strategic and critical materials so as to assure the expansion of production and thereby increase the total available supply for stockpiling and other essential needs. I recommend that it be transmitted to the Congress.

Respectfully yours,

JAMES E. WERN
Director of the
Bureau of the Budget

We in the United States remain determined to seek, by every possible means, a just and honorable basis for the settlement of international issues. We shall continue to give our strong allegiance to the United Nations as the principal means for international security based on law, not on force. We shall remain ready and anxious to join with all nations -- I repeat, with all nations -- in every possible effort to reach international understanding and agreement.

The door has never been closed, nor will it ever be closed, to the Soviet Union or any other nation which will genuinely cooperate in preserving the peace.

At the same time, we must not be confused about the central issue which confronts the world today.

The time has come when the free men and women of the world must face the threat to their liberty squarely and courageously.

The United States has a tremendous responsibility to see according to the measure of our power for good in the world. We have learned that we must earn the peace we seek just as we earned victory in war, not by wishful thinking but by realistic effort.

At no time in our history has unity among our people been so vital as it is at the present time.

Unity of purpose, unity of effort and unity of spirit are essential to accomplish the task before us.

Each of us here in this chamber today has a special responsibility. The world situation is too critical, and the responsibilities of this country are too great, to permit party struggles to weaken our influence for maintaining peace.

The American people have the right to assume that political considerations will not affect our working together. They have the right to assume that we will join hands, unhindered and without reservation, in our efforts to preserve peace in the world.

With God's help we shall succeed.

APRIL 1, 1948

The President today sent the following letter to the Speaker of the House of Representatives:

The Speaker of the
House of Representatives

Sir:

In my address to the Congress on March 17, 1948, I stated that we need an adequate and balanced military strength to carry out our purpose of achieving peace in the world. To accomplish this objective, a limited increase in our national security program is required.

As one element in building up our strength to the necessary level, I am transmitting herewith for the consideration of the Congress a draft of a proposed provision for a contract authorization of \$775,000,000 for the Treasury Department, in the form of an amendment to the Budget for the fiscal year 1949. This contract authorization is required to permit the Bureau of Federal Supply to enter into long-term contracts for strategic and critical materials so as to increase the supply available for stock piling and other essential needs.

The details of this proposed provision, the necessity therefor, and the reason for its submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

In addition, I have authorized the Secretary of Defense to prepare detailed estimates for additional appropriations totaling \$3,000,000,000 for the military Establishment for the fiscal year 1949. While almost every part of our military program will be affected by the proposed increases, the additions may be grouped in five categories:

First, \$775,000,000 for the requirements for added military personnel, such as pay and allowances, subsistence, clothing, and medical care.

Second, \$775,000,000 for the procurement of aircraft, aircraft components and aviation research and development. This amount includes \$465,000,000 for the Air Force and \$310,000,000 for naval aviation.

Third, \$860,000,000 for maintenance and operation of facilities and equipment, including their rehabilitation and reactivation where necessary.

Fourth, \$500,000,000 for procurement and production programs, including procurement planning, prototype and pilot orders, equipment modernization and material improvement.

Fifth, \$70,000,000 for other requirements, such as research and development (other than air), civilian components, administrative and contingent expenses.

Expenditures under these appropriations in the fiscal year 1949 are estimated at \$1,700,000,000.

Time is now of critical importance. I am encouraged by the information which has come to me regarding the plans for expeditious action by the House of Representatives. I hope that no single day will be needlessly lost.

Second, I recommend prompt enactment of universal training legislation.

Until the free nations of Europe have regained their strength, and as long as communist threats to the very existence of democracy, the United States must remain strong enough to support those countries of Europe which are threatened with communist control and police-state rule.

I believe that we have learned the importance of maintaining military strength as a means of preventing war. We have found that a sound military system is necessary at this time if we are to avoid it later. Aggressors in the past, relying on our apparent lack of military force, have unhesitatingly provoked war. Although they have been led to destruction by their misapprehension of our strength, we have paid a terrible price for our unpreparedness.

Universal training is the only feasible means by which the civilian components of our armed forces can be built up to the strength required if we are to be prepared for emergencies. Our ability to mobilize large numbers of trained men is alone of emergency could forestall future conflict and, together with other measures of national policy, could restore stability to the world.

The adoption of universal training by the United States at this time would be unmistakable evidence to all the world of our determination to back the will to peace with the strength for peace. I am convinced that the decision of the American people, expressed through the Congress, to adopt universal training would be of first importance in giving courage to every free government in the world.

Third, I recommend the temporary reinstatement of selective service legislation in order to maintain our armed forces at their authorized strength.

Our armed forces lack the necessary size to maintain their authorized strength. They have been unable to maintain their authorized strength through voluntary enlistments, even though such strength has been reduced in the very minimum necessary to meet our obligations abroad and to far below the minimum which should always be available in the Continental United States.

We cannot meet our international responsibilities unless we maintain our armed forces. It is of vital importance, for example, that we keep our occupation forces in Germany until the peace is secure in Europe.

There is no conflict between the requirements of selective service for the regular forces and universal training for the reserve components. Selective service is necessary until the solid foundation of universal training can be established. Selective service can then be replaced and the regular forces may then be maintained on a voluntary basis.

The recommendations I have made represent the most urgent steps toward securing the peace and preventing war.

We must be ready to take every wise and necessary step to carry out this great purpose. This will require sacrifices to other nations. It will require an adequate and balanced military strength. We must be prepared to pay the price of peace, or, alternatively we shall pay the price of war.

April 4, 1949.

CONFIDENTIAL: The following address of the President, to be delivered at the signing of the Atlantic Pact in the Departmental Auditorium, Washington, D. C., MUST BE HELD IN STRICT CONFIDENCE until released.

NOTE: Release is automatic at 4:30 P. M., E.S.T., today, Monday, April 4, 1949. The same release applies to all newspapers and radio stations.

PLEASE GUARD AGAINST PREMATURE PUBLICATION OR RADIO ANNOUNCEMENT.

CHARLES G. ROSS
Secretary to the President.

On this historic occasion, I am happy to welcome the Foreign Ministers of the countries which, together with the United States, form the North Atlantic community of nations.

The purpose of this meeting is to take the first step toward putting into effect an international agreement to safeguard the peace and prosperity of this community of nations.

It is altogether appropriate that nations so deeply conscious of their common interests should join in expressing their determination to preserve their present peaceful situation and to protect it in the future.

What we are about to do here is a neighborly act. We are like a group of householders, living in the same locality, who decide to express their community of interests by entering into a formal association for their mutual self-protection.

This treaty is a simple document. The nations which sign it agree to abide by the peaceful principles of the United Nations, to maintain friendly relations and economic cooperation with one another, to consult together whenever the territory or independence of any one of them is threatened, and to come to the aid of any one of them which may be attacked.

It is a simple document, but if it had existed in 1914 and in 1939, supported by the nations which are represented here today, I believe it would have prevented the acts of aggression which led to two World Wars.

The nations represented here have known the tragedy of those two wars. As a result, many of us took part in the founding of the United Nations. Each member of the United Nations is under a solemn obligation to maintain international peace and security. Each is bound to settle international disputes by peaceful means, to refrain from the threat or use of force against the territory or independence of any country, and to support the United Nations in any action it takes to preserve the peace.

That solemn pledge -- that abiding obligation -- we re-affirm here today.

We rededicate ourselves to that obligation, and propose this North Atlantic Treaty as one of the means to carry it out.

Through this treaty we undertake to conduct our international affairs in accordance with the provisions of the United Nations Charter. We undertake to exercise our right of collective or individual self-defense against armed attack, in accordance with Article 51 of the Charter, and subject to such measures as the Security Council may take to maintain and restore international peace and security.

(OVER)

Within the United Nations, this country and other countries have hoped to establish an international force for the use of the United Nations in preserving peace throughout the world. Our efforts to establish this force, however, have been blocked by one of the major powers.

This lack of unanimous agreement in the Security Council does not mean that we must abandon our attempts to make peace secure.

Even without that agreement, which we still have for, we shall do as much as we can. And every bit that we do will add to the strength of the fabric of peace throughout the world.

In this treaty, we seek to establish freedom from aggression and from the use of force in the North Atlantic community. This is the area which has been at the heart of the last two world conflicts. To protect this area against war will be a long step toward permanent peace in the whole world.

There are those who state that this treaty is an aggressive act on the part of the nations which ring the North Atlantic.

This is absolutely untrue.

The pact will be a positive, not a negative, influence for peace, and its influence will be felt not only in the area it specifically covers but throughout the world. Its conclusion does not mean a narrowing of the interests of its members. Under my authority and instructions, the Secretary of State has recently made it abundantly clear that the adherence of the United States to this pact does not signify a lessening of American concern for the security and interests of other areas, such as the Near East. The step we are taking today should serve to reassure peace-loving peoples everywhere and pave the way for the world-wide stability and peaceful development which we all seek.

Twice in recent years, nations have felt the sickening blow of unprovoked aggression. Our peoples, to whom our governments are responsible, demand that these things shall not happen again.

We are determined that they shall not happen again.

In taking steps to prevent aggression against one's own people, we have no purpose of aggression against others. To suggest the contrary is to slander our institutions and define our ideals and our aspirations.

The nations represented here are made freer by the light of long standing. We are joined by a common heritage of democracy, individual liberty, and the rule of law. These are the lines of a practical way of life. In this pact we merely give them formal recognition.

With our common traditions we face common problems. So are, in a large degree, industrial nations, and we face the problem of mastering the forces of modern technology in the public interest.

To meet this problem successfully, we must have a world in which we can exchange the products of our labor not only among ourselves, but with other nations. We have now together in a great cooperative economic effort to establish this kind of world.

We are determined to work together to provide better lives for our people without sacrificing our common ideals of justice and human worth.

But we cannot succeed if our people are haunted by the constant fear of aggression, and burdened by the cost of preparing their nations individually against attack.

In this pact, we have to create a shield against aggression and the fear of aggression -- a shield which will permit us to get on with the real business of government and society, the business of achieving a fuller and happier life for our citizens.

We shall, no doubt, go about this business in different ways. There are different kinds of governmental and economic systems,

persistently ignored and violated by one nation.

The Congress is also familiar with the developments concerning the United Nations. Most of the countries of the world have joined together in the United Nations in an attempt to build a world order based on law and not on force. Most of our members support the United Nations earnestly and honestly, and look to make it stronger and more effective.

One nation, however, has persistently obstructed the work of the United Nations by constant abuse of the vote. That nation has voted 21 propounds for action in a little over two years.

But that is not all. Masses and masses of hostilities, the Soviet Union and its agents have destroyed the independence and democratic character of a whole series of nations in Eastern and Central Europe.

It is this reckless course of action, and the clear design to extend it to the remaining free nations of Europe, that have brought about the critical situation in Europe today.

The fright death of the Republic of Czechoslovakia has shed a shock throughout the civilized world. Now pressure is being brought to bear on Finland, to the support of the entire Scandinavian peninsula. Greece is under direct military attack from rebels actively supported by her Communist dominated neighbors. In Italy, a determined and aggressive effort is being made by a Communist minority to take control of that country. The methods vary, but the policies are all too clear.

Faced with this growing menace, there have been encouraging signs that the free nations of Europe are drawing closer together for their economic well-being and for the common defense of their liberties.

In an economic field, the urgent need for mutual self-help in future conditions essential to the preservation of free institutions is well understood. In Paris, the sixteen nations which are cooperating in the European Recovery Program are meeting again to establish a joint organization to work for the economic restoration of Western Europe.

The United States has strongly supported the efforts of these nations to repair the devastation of war and restore a strong world economy. In presenting this program to the Congress last December, I emphasized the necessity for speedy action. Every event in Europe since that day has underscored the great urgency for the prompt adoption of this measure.

The Soviet Union and its satellites were invited to cooperate in the European Recovery Program. They rejected the invitation. More than that, they have declared their vicious hostility to our program and are persistently attempting to wreck it.

They see in it a major obstacle to their designs to subjugate the free community of Europe. They do not want the United States to help Europe. They do not even want the sixteen cooperating countries to help themselves.

While economic recovery in Europe is essential, measures for economic rehabilitation alone are not enough. The free nations of Europe realize that economic recovery, if it is to succeed,

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CHARLES C. ROSS
Secretary to the President

MR. PRESIDENT, MR. SPEAKER, MEMBERS OF THE CONGRESS:

I am here today to report to you on the critical nature of the situation in Europe. I do recommend action for your consideration.

Rapid changes are taking place in Europe which affect our foreign policy and our national security. There is an increasing threat to nations which are striving to maintain a form of government which grants freedom to its citizens. The United States is deeply concerned with the survival of freedom in those nations. It is of vital importance that we act now, in order to preserve the conditions under which we can achieve lasting peace based on freedom and justice.

The achievement of such a peace has been the great goal of this nation.

Almost three years have elapsed since the end of the greatest of all wars, but peace and stability have not returned to the world. We were well aware that the end of the fighting would not automatically settle the problems arising out of the war. The establishment of peace after the fighting is over has always been a difficult task. And even if all the Allies of World War II were united in their desire to establish a just and honorable peace, there would still be great difficulties in the way of achieving that goal.

But the situation in the world today is not primarily the result of the natural difficulties which follow a great war. It is chiefly due to the fact that one nation has not only refused to cooperate in the establishment of a just and enduring peace, but -- even worse -- has actively sought to prevent it.

The Congress is familiar with the course of events.

You speak of the sincere and patient attempts of the democratic nations to find a secure basis for peace through negotiation and agreement. Conference after conference has been held in different parts of the world. We have tried to settle the questions arising out of the war on a basis which would permit the establishment of a just peace. You know the obstacles we have encountered. But the record stands as a monument to the good faith and integrity of the democratic nations of the world. The agreements we did obtain, imperfect though they were, could have furnished the basis for a just peace -- if they had been kept.

must be afforded some measure of protection against internal and external aggression. The movement toward economic cooperation has been followed by a movement toward common self-protection in the face of the growing menace to their freedom.

At the very moment I am addressing you, five nations of the European community, in Brussels, are signing a 50-year agreement for economic cooperation and common defense against aggression.

This action has great significance, for this agreement was not imposed by the decree of a more powerful neighbor. It was the free choice of independent governments representing the will of their people, and acting within the terms of the Charter of the United Nations.

Its significance goes far beyond the actual terms of the agreement itself. It is a notable step in the direction of unity in Europe for the protection and preservation of its civilization. This development deserves our full support. I am confident that the United States will, by appropriate means, extend to the free nations the support which the situation requires. I am sure that the determination of the free countries of Europe to protect themselves will be matched by an equal determination on our part to help them to do so.

The recent developments in Europe present this nation with fundamental issues of vital importance.

I believe that we have reached a point at which the position of the United States should be made unmistakably clear.

The principles and purposes expressed in the Charter of the United Nations continue to represent our hope for the eventual establishment of the rule of law in international affairs. The Charter constitutes the basic expression of the code of international ethics to which this country is dedicated. We cannot, however, close our eyes to the harsh fact that through obstruction and even defiance on the part of one nation, this great dream has not yet become a full reality.

It is necessary, therefore, that we take additional measures to supplement the work of the United Nations and to support its aims. There are times in world history when it is far wiser to act than to hesitate. There is some risk involved in action — there always is. But there is far more risk in failure to act.

For if we act wisely now, we shall strengthen the powerful forces for freedom, justice and peace which are represented by the United Nations and the free nations of the world.

I regard it as my duty, therefore, to recommend to the Congress those measures which, in my judgment, are best calculated to give support to the free and democratic nations of Europe and to improve the solid foundation of our own national strength.

First, I recommend that the Congress speedily complete its action on the European recovery program. That program is the foundation of our policy of assistance to the free nations of Europe. Prompt passage of that program is the most telling contribution we can now make toward peace.

The decisive action which the Senate has taken without regard to partisan political considerations is a striking example of the effective working of democracy.

With the United Nations, this country and other countries have hoped to establish an international force for the use of the United Nations in preserving peace throughout the world. Our efforts to establish this force, however, have been blocked by one of the major powers.

This lack of unanimous agreement in the Security Council does not mean that we must abandon our attempts to make peace secure.

Even without that agreement, which we still hope for, we shall do as much as we can. And every bit that we do will add in the strength of the fabric of peace throughout the world.

In this treaty, we seek to establish freedom from aggression and from the use of force in the North Atlantic community. This is the area which has been at the heart of the last two world conflicts. To protect this area against war will be a long step toward permanent peace in the whole world.

There are those who claim that this treaty is an aggressive act on the part of the nations which ring the North Atlantic.

This is absolutely untrue.

The pact will be a positive, not a negative, influence for peace, and its influence will be felt not only in the area it specifically covers but throughout the world. Its conclusion does not mean a narrowing of the interests of its members. Under my authority and instructions, the Secretary of State has recently made it abundantly clear that the adherence of the United States to this pact does not signify a lessening of American concern for the security and welfare of other areas, such as the Near East. The step we are taking today should serve to reassure peace-loving peoples everywhere and pave the way for the world-wide stability and peaceful development which we all seek.

Twice in recent years, nations have felt the sickening blow of unprovoked aggression. Our peoples, to whom our governments are responsible, demand that those things shall not happen again.

We are determined that they shall not happen again.

In taking steps to prevent aggression against our own peoples, we have no purpose of aggression against others. To suggest the contrary is to slander our intentions and defame our ideals and our aspirations.

The nations represented here are bound together by ties of long standing. We are joined by a common heritage of democracy, individual liberty, and the rule of law. These are the ties of a peaceful way of life. In this pact we merely give them formal recognition.

With our common traditions we face common problems. We are, to a large degree, industrial nations, and we face the problem of mastering the forces of modern technology in the public interest.

To meet this problem successfully, we must have a world in which we can exchange the products of our labor not only among ourselves, but with other nations. We have come together in a great cooperative economic effort to establish this kind of world.

We are determined to work together to provide better lives for our people without sacrificing our common ideals of justice and human worth.

But we cannot succeed if not people are haunted by the constant fear of aggression, and burdened by the cost of preparing their nations individually against attack.

In this pact, we hope to create a shield against aggression and the fear of aggression—a bulwark which will permit us to get on with the real business of government and society, the business of achieving a fuller and happier life for our citizens.

We shall, no doubt, go about this business in different ways. There are different kinds of governmental and economic systems.

just as there are all
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tion of free nations

farast cultures. But
the voluntary associa-
--- sense of justice.

We believe that it is possible for nations to achieve unity
on the great principles of human freedom and justice, and at the
same time to permit, in other respects, the greatest diversity of which
the human mind is capable.

Our faith in this kind of unity is borne out by our
experience here in the United States in creating our nation out of the
variety of our continental resources and the peoples of many lands.

This method of organizing diverse peoples and cultures is
in direct contrast to the method of the police state, which attempts
to achieve unity by imposing the same beliefs and the same rules of
force on everyone.

We believe that our method of achieving international
unity through the voluntary association of different countries
dedicated to a common ~~cause~~ is an effective step toward bringing order to
our troubled world.

For us, war is not inevitable. We do not believe that
there are blind tides of history which sweep men one way or the
other. In our own time we have seen brave men overcome obstacles
that seemed insurmountable and forces that seemed overwhelming.
Men with courage and vision can still determine their own destiny.
They can choose slavery or freedom -- war or peace.

I have no doubt which they will choose. The treaty we are
signing here today is evidence of the path they will follow.

If there is anything certain today, if there is anything
inevitable in the future, it is the will of the people of the
world for freedom and peace.

TOAST OF THE PRESIDENT

at the STATE DEPARTMENT for Atlantic Pact Signature
Carlton Hotel, Washington, D. C.

April 4, 1949

9.30 p. m., D. C. D.

207114

* * * * *

May I offer a toast to the Atlantic Treaty and its sponsors. I think we have really passed a milestone in history today, and I think your children and your grandchildren will tell you that, in the days to come.

(At the Reception afterwards, Paul-Henry Spaak, Prime Minister and Minister of Foreign Affairs of Belgium, replied in French to the President, as follows -- translation by his private secretary):

The President is leaving within a few minutes, and before leaving, I should like to seize this opportunity to tell him in the name of everybody present of the gratitude of those who have crossed the ocean in order to sign the Atlantic Pact -- how much we owe to the people of the United States and to President Truman for his far-seeing and generous policy. This policy led to the construction of the Marshall Plan, and now to the assurance of security and peace to the European countries within the framework of the Atlantic Pact.

I offer a toast to President Truman, and to the American people for their wit and generosity.

***** //

April 12, 1949

CONFIDENTIAL. The following message of the President, transmitting the North Atlantic Treaty to the Senate, MUST BE HELD IN STRICT CONFIDENCE and no portion, synopsis or intimation is to be given out or published until READING of the message has begun in the Senate.

PLEASE GUARD AGAINST PREMATURE PUBLICATION OR RADIO ANNOUNCEMENT.

CHARLES G. ROSS
Secretary to the President

.....

TO THE SENATE OF THE UNITED STATES:

I transmit herewith for the consideration of the Senate a copy of the North Atlantic Treaty signed at Washington on April 4, 1949, together with a report of the Secretary of State.

This Treaty is an expression of the desire of the people of the United States for peace and security, for the continuing opportunity to live and work in freedom.

Events of this century have taught us that we cannot achieve peace independently. The world has grown too small. The oceans no longer protect us from the reach of brutality and aggression.

We have also learned -- learned in blood and conflict -- that if we are to achieve peace we must work for peace.

This knowledge has made us determined to do everything we can to insure that peace is maintained. We have not arrived at this decision lightly, or without recognition of the effort it entails. But we cannot escape the great responsibility that goes with our great stature in the world. Every action of this Nation in recent years has demonstrated the overwhelming will of our people that the strength and influence of the United States shall be used in the cause of peace, justice and freedom.

In this determination, our people wholeheartedly accepted the Charter of the United Nations in 1945. Since then, we have worked unceasingly to reach international agreement through the United Nations and to make the United Nations a more effective instrument for its mighty task.

In the last year we have embarked on a great cooperative enterprise with the free nations of Europe to restore the vitality of the European economy -- so important to the prosperity and peace of our country and the world.

The North Atlantic Treaty is further evidence of our determination to work for a peaceful world. It is in accord with the action of the Senate last June when it signified its approval of our country's associating itself in peacetime with countries outside the Western Hemisphere in collective arrangements, within the framework of the United Nations Charter, designed to safeguard peace and security.

The twelve nations which have signed this Treaty undertake to exercise their right of collective or individual self-defense against armed attack, in accordance with Article 51 of the United Nations Charter, and subject to such measures as the Security Council may take to maintain and restore international peace and security. The Treaty

(OVER)

makes clear the determination of the people of the United States and of our neighbors in the North Atlantic community to do their utmost to maintain peace with justice and to take such action as they may deem necessary if the peace is broken.

The people of the North Atlantic community have seen solemn agreements, designed to assure peace and the rights of small nations, broken one by one and the people of those nations deprived of freedom by terror and oppression. They are resolved that their nations shall not, one by one, suffer the same fate.

The nations signing this Treaty share a common heritage of democracy, individual liberty, and the rule of law. The American members of the North Atlantic community stem directly from the European members in tradition and in love of freedom. We have joined together in the progressive development of free institutions, and we have shared our moral and material strength in the present task of rebuilding from the devastation of war.

The security and welfare of each member of this community depend upon the security and welfare of all. None of us alone can achieve economic prosperity or military security. None of us alone can assure the continuance of freedom.

Together, our joint strength is of tremendous significance to the future of free men in every part of the world. For this Treaty is clear evidence that differences in language and in economic and political systems are no real bar to the effective association of nations devoted to the great principles of human freedom and justice.

This Treaty is only one step -- although a long one -- on the road to peace. No single action, no matter how significant, will achieve peace. We must continue to work patiently and carefully, advancing with practical, realistic steps in the light of circumstances and events as they occur, building the structure of peace soundly and solidly.

I believe that the North Atlantic Treaty is such a step, based on the realities of the situation we face today and framed within the terms of the United Nations Charter and the Constitution of the United States.

In the conviction that the North Atlantic Treaty is a great advance toward fulfillment of the unconquerable will of the people of the United States to achieve a just and enduring peace, I request the advice and consent of the Senate to its ratification.

HARRY S. TRUMAN

THE WHITE HOUSE,

April 12, 1949.

The following is for release at 11:00 A. M. today, Monday, July 25, 1949, Eastern Daylight Saving Time. 7

CHARLES G. ROSS
Secretary to the President

STATEMENT BY THE PRESIDENT

The American people value peace and freedom above all things. Our ratification of the North Atlantic Pact with the overwhelming support of the Senate and the people shows our determination to preserve this peace and freedom.

This Treaty is a historic step toward a world of peace, a free world, free from fear, but it is only one step. We have allies toward none, with our partners in the past and other like-minded peoples we meet, with God's help and guidance, work for peace with every means at our command. We must keep ourselves morally and materially strong. We must play our part in helping to strengthen freedom everywhere. We must work patiently and tirelessly to make the United Nations ever more effective for its great task. We must seek ever greater unity of purpose and of action in the cause of peace.

* * * * *

July 25, 1949

CONFIDENTIAL: To be held in **STRICT CONFIDENCE** and no portion, synopsis or intimation to be given out or published until the **READING** of the President's Message has begun in either the Senate or House of Representatives. Extreme care must therefore be exercised to avoid premature publication.

CHARLES G. ROSS
Secretary to the President

.....
TO THE CONGRESS OF THE UNITED STATES.

To continue and strengthen our program for world peace and national security, I recommend that the Congress enact legislation authorizing military aid to free nations to enable them to protect themselves against the threat of aggression and contribute more effectively to the collective defense of world peace.

Such legislation is an essential part of our efforts to create an international structure capable of maintaining law and order among nations. Our prosperity and security, as well as that of other free nations depend upon our success in establishing conditions of international order. Increased assurances against the danger of aggression are needed to support our international economic programs, and in particular the European Recovery Program, which are so vital to the building of a stable world.

Under the Charter of the United Nations, each member nation is bound to settle international differences by peaceful means, and to refrain from the threat or use of force against the territory of any country. Thus, in joining the United Nations, the nations have given their assent to the basic principles of international peace and security.

We have, however, learned the unfortunate truth that this obligation, by itself, is not sufficient at the present time to eliminate the fear of aggression and international violence. The record of world events since 1945 offers us no certainty that all members of the United Nations will uphold these principles of peace in actual practice. Indeed, there is proof to the contrary, proof that in the pursuit of selfish ends some nations have resorted and may again resort to the threat or use of force. The fear created by this experience hampers the world and creates conditions of insecurity and instability which stand in the way of economic and social progress.

To reduce this danger and to allay these fears, we have taken additional steps to reinforce the obligations of the Charter. Under the Pact of Rio de Janeiro and in the North Atlantic Treaty, we are creating a framework of mutual obligation to prevent international violence in the Western hemisphere and in the North Atlantic area. These treaties provide support for the principles of the Charter of the United Nations.

Furthermore, even in the absence of such compacts, we have refused to tolerate assaults on the integrity of peace-loving nations whose conduct conforms to the principles of the Charter. We have given military as well as diplomatic aid directly to nations threatened by aggression. Through our aid to Greece and Turkey, we have recognized the fact that, if the principles of international peace are to prevail, free nations must have the means as well as the will to resist aggression.

So long as the danger of aggression exists, it is necessary to think in terms of the forces required to prevent it. It is unfortunate that this is true. We cannot, however, achieve

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our goal of permanent peace by ignoring the difficult and unpleasant tasks that lie in the way. We need to avoid the same firmness and resolution in defending the principles of peace that we have shown in enunciating them. The better prepared the free nations are to resist aggression, the less likelihood there is that they will have to use the forces they have prepared. The policemen in our communities seldom have to use their weapons, but public peace would be greatly endangered if they did not have them.

The preparation of the military means for keeping the peace is necessary not only to the security of the United States but also to building a safe and prosperous world society.

Helping free nations to acquire the means of defending themselves is an obligation of the leadership we have assumed in world affairs. Within the practical limits of our resources, we must strive to act with foresight and precision, so that our strength and the collective strength of the free peoples associated with us will be most effective.

To be effective, the aid which we supply to other nations for defending themselves must be planned ahead. It must not be wasted. It must be carefully allocated to meet the realities of our own security. Above all, it is urgent to initiate a program of aid promptly if we are not to lose the momentum already gained toward recovery and political stability.

These general requirements are given sharp emphasis by consideration of the specific cases where aid is needed. Many anxious governments have requested our military assistance. Among these requests, there can be no more meaningful appeals than those which have come from the countries of Western Europe. It is entirely logical that these governments should turn to us and that we should help them. Their defense is our defense and is of deep concern to us. These in our generation we have found that we had to join with them in fighting against aggressor nations in order to preserve our freedom and the freedom of other democratic countries.

The principal task of the free nations of Western Europe in the last four years has been to restore their war-shattered economies. The inherent difficulties of this task have been aggravated by the foreign policy of the Soviet Union, which has done its utmost to prevent European recovery. Full economic recovery requires peaceful conditions and the assurance that the work of labor, industry and agriculture will not be swept away in an outbreak of international violence. In place of these conditions, the Soviet Union, with its violent propaganda, its manipulation of the semi-spirited activities of the world communist movement, and its maintenance of one of the largest peacetime armies in history, has deliberately created an atmosphere of fear and danger.

In the face of what has occurred in Greece, and in Berlin, in the face of the threats and pressures to which Iran and Turkey have been exposed, in the light of the suppression of human liberty in countries under communist control, the nations of Western Europe have not been able to ignore the necessity of a military defense for themselves. They have seen what the Soviet Union has done to nations for which it professes friendship and with which it was recently allied. They have observed how a communist coup d'état, operating in the shadow of the naked military might of the Soviet Union, can overthrow, at one stroke, the democratic liberties and the political independence of a friendly nation.

As a consequence of that experience, and in the light of the fact that the two most devastating wars in history originated in Europe, they realize that they must have a shield against aggression to shelter their political institutions and the rebirth of their own economic and social life.

The nations of Western Europe have addressed themselves to all commitments in the task of providing such a shield. In the Treaty of Brussels, five nations of Western Europe established joint measures for their own defense. In support of that treaty, they have coordinated both their defensive strategy and their plans to produce necessary military supplies.

These five nations, together with Norway, Denmark and Italy, have undertaken annual military expenditures equivalent to about five and one-half billion dollars. This is the maximum amount they are able to spend without seriously interfering with the civilian production necessary for their economic recovery. This amount is not, however, enough to furnish these nations the protection they need. Concentrating, as they are, on restoring their economic stability, they are unable to spare the plants and the materials required to bring their defense establishments up to the necessary levels. Furthermore, there are certain items essential for their defense which they are not equipped to provide for themselves. They have, therefore, come to us with urgent requests for assistance in providing the necessary margin of arms and equipment which will enable them better able to repel aggression and mitigate the casualties of their peoples.

I recommend that we supply these countries with assistance of three types: First, a limited amount of dollar aid to enable them to increase their own production of military items without impairing their efforts for economic recovery; second, the direct transfer of certain essential items of military equipment, and third, the assistance of experts in the production and use of military equipment and the training of personnel. Such a program will enable these countries to acquire the elements necessary to their defense without hampering their recovery.

The military assistance which we propose for these countries will be limited to that which is necessary to help them create viable defensive forces. Our objective is to see to it that these nations are equipped, in the shortest possible time, with compact and effectively trained forces capable of maintaining internal order and resisting the tactical phases of external aggression.

At the present time, the military power which is the greatest deterrent to aggression is centered in the United States, three thousand miles away from Europe. It must be clear that the United States has no intention, in the event of aggression, of allowing the peoples of Western Europe to be overrun before its own power can be brought to bear. The program of military assistance we propose is a tangible assurance of our purpose in this regard.

Outside of Western Europe, we are already engaged in a program of military assistance to Greece and Turkey. This program has been in effect since May 1947. The communist effort in Greece, in the form of a guerrilla war supported from abroad, has been contained by the General Assembly of the United Nations. Our aid to Greece has checked this attempt to overthrow the political independence of a free nation. It is important that present gains against the guerrillas be maintained and that the operations be prepared to a successful conclusion. Only if this is done, can the economic reconstruction of Greece be accomplished.

In Turkey, our aid has lessened the burden of military preparedness which the threatening pressure of the Soviet Union has imposed on a primarily agrarian economy. Although the Turkish defense system has been improved, additional equipment and maintenance parts are needed for the modernization of certain Turkish defense units.

We are also confronted by the necessity of making military assistance available in other areas of the world outside Europe.

In Iran the aid of surplus of United States military equipment has aided in improving the defensive effectiveness of the Iranian Army and the maintenance of internal order. It is now necessary to provide certain additional items to round out

this program, and thereby to strengthen the ability of Iran to defend its independence.

The new Republic of Korea, established as a result of free elections held under the auspices of the United Nations, is menaced by the communist regime in the northern part of the country. With the advice and assistance of the United States, the Korean Government has established a small force to protect its internal security and defend itself against outside aggression short of a full scale war. Equipment has been requested from the United States for a main army and coast guard forces. It is essential to the survival of the Korean Republic that this assistance be made available.

In addition, it is necessary to continue our program of limited aid to the Republic of the Philippines, which was originated under the Act of June 26, 1946.

In this hemisphere we have assumed obligations of mutual defense with the other American Republics under the Pact of Rio de Janeiro. Our northern neighbor, Canada, is a party with us to the North Atlantic Treaty. It is important under the terms of these treaties that we should assist Canada and the American Republics to maintain adequate defenses properly coordinated with our own.

In view of our limited resources, it is impossible for us to assist on a grant basis all countries whose defense is related to our own. We can afford to bear the cost of military aid only with respect to those countries vital to our national security where the danger is greatest, and where the ability to pay for military equipment is least. With respect to such countries as Canada and the American Republics, therefore, I recommend that our assistance be limited to the use of the facilities of our Government to procure defense equipment for them at their own expense.

All these various requirements for military assistance should obviously be handled in a unified program, adaptable in its administration to the operation of our foreign policy.

The sum which will be needed in new appropriations for the fiscal year 1950 for all the grant programs now contemplated, together with a margin for emergencies, is approximately \$1,550,000,000. The bulk of the supplies to be procured under these programs will be delivered over the next two years. Of this total \$50,000,000 has recently been requested for the interim activation of our program of military aid to Greece and Turkey under existing authorizations. New authorization will be required for \$1,500,000,000.

The major portion of the total is to be devoted to the needs of the Western European nations. It is not proposed that specific sums be committed in advance to particular countries. Rather, the President would be able to make allocations as circumstances require.

The aid we provide will constitute only a minor fraction of what these countries will spend themselves. Agreements will be executed with the recipients to provide for mutual assistance and to assure proper use of the equipment furnished. The recipient nations will be required to limit the use of the items supplied to the defense of their geographic areas, and will not be permitted to transfer them to other nations without the consent of the United States. The President should be authorized to terminate our aid at any time. Aid will be terminated in the event that a recipient acts in a manner inconsistent with the policies and purposes of the program or with its obligations under the Charter of the United Nations.

The recommended program covers the most pressing current needs for military aid. How long it may be necessary to continue military aid depends on many unpredictable factors. Our burden will undoubtedly lessen as our program for peace brings

its return. Advancing economic recovery will enable the free nations to sustain a larger share of the expense of their own defense measures. Progress toward a peaceful settlement of international differences will reduce the threat of violence, and lighten the cost of preparation. Ultimately, when the peaceful principles of the United Nations are fully realized, the protection of the peace may be assigned to the security forces of that organization.

If this program of military aid is to succeed, we must prosecute it promptly and vigorously. Our policies for peace are having the desired effect. We cannot afford to lose the momentum we have already gained.

One need only look back to the situation with which we were confronted two and one-half years ago to be convinced of the rightness of our course of action. At that time the free nations of Europe were not only exposed and defenseless, but they were also caught in an economic depression which threatened the existence of their democratic forms of government. Europe, with its great storehouse of skills and its heritage of free institutions, seemed about to disintegrate and to fall piece by piece under the sway of totalitarian control.

The fact that such a disaster has been averted should inspire us with confidence in the ultimate triumph of the cause of peace and freedom not only in Europe but elsewhere in the world.

Like the North Atlantic Treaty, this program of military aid is entirely defensive in character. By strengthening the defense establishments of the free nations, it will increase the confidence of the peoples of the world in a peaceful future and protect the growth of world recovery.

I would not suggest that this program alone will bring present international tensions to an end. It will, however, preserve the initiative which the free nations of the world now have, and help to create a world structure so firm economically and militarily as to convince any potential aggressor nation that its own welfare lies in the direction of mutual tolerance and peaceful foreign relations.

HARRY S. TRUMAN

THE WHITE HOUSE,

JULY 25, 1949.

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STATEMENT BY THE PRESIDENT

I have just signed the Mutual Defense Assistance Act of 1948. This is a notable contribution to the collective security of the free nations of the world. It is one of the many steps we are taking with other free peoples to strengthen our common defense in furtherance of the principles of international peace and order enshrined in the Charter of the United Nations.

The dominant objective of our foreign policy is to create peaceful and stable conditions throughout the world, so that men may lead happier and more fruitful lives. This objective cannot, however, be achieved if the economic efforts of free men are overshadowed by the fear of aggression. By strengthening the common defense this Act will do much to allay that fear. The security which this Act offers will aid in promoting the economic welfare of the free nations and in restoring their confidence in a peaceful and prosperous future.

Since the ratification of the North Atlantic Treaty, the countries of the North Atlantic community have made considerable progress in working together for their mutual security. Their combined activity will do much to increase the effectiveness of the assistance to be provided under this Act. Further progress in these arrangements for the common defense will make it possible to provide the full measure of protection which this Act offers to this country and other nations.

Recent developments in the field of armaments have strengthened the free nations in their adherence to the principle of a common defense -- the principle that underlies this Act. By emphasizing the common determination of free nations to protect themselves against the threat or fear of aggression, the Mutual Defense Assistance Act will strengthen the peace of the world.

This Act is necessary only because of the unsettled conditions of the world today which we, in concert with many other nations, are striving to overcome. It is my belief that we shall be successful in these efforts to achieve international understanding and to establish, in accordance with our national policy, effective international control and reduction of armaments, through the United Nations.

OCTOBER 10, 1949

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The President today requested Congress to appropriate the full amount authorized in the recently passed Mutual Defense Assistance Act of 1949 to provide military assistance to foreign nations.

The request includes an appropriation of \$84,010,000 and authority to enter into contracts in the amount of \$500 million.

The bulk of the funds will be used to provide military aid to those North Atlantic Treaty countries which request aid. Until recommendations by the North Atlantic Council and its Defense Committee for an integrated defense of the North Atlantic area have been approved by the President, only \$100,000,000 will be available to provide aid to those countries. Funds to continue the Greek-Turkish program are included in the appropriation. Military assistance will be made available also to Iran, Korea, and the Philippines. Finally, \$75 million will be provided to carry out the purposes and policies of the Act in the general area of China.

This new step in United States foreign policy recently approved by the Congress must be supported by the appropriation of funds to carry out the very important objectives of the act. It is essential to strengthen effectively the defensive establishments of free nations that are associated with us in the effort to create a world free of the fear of aggression.

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AUGUST 24, 1949

STATEMENT BY THE PRESIDENT
On the Coming into Effect of the North Atlantic Treaty.

With the deposit of instruments of ratification by Denmark, France, Italy and Portugal, the North Atlantic Treaty today enters into effect. This is a momentous occasion not only for all the signatories of the Treaty, but for all peoples who share our profound desire for stability and peaceful development.

By this treaty we are not only seeking to establish freedom from aggression and from the use of force in the North Atlantic community, but we are also actively striving to promote and preserve peace throughout the world. In these endeavors, we are acting within the framework of the United Nations Charter, which imposes on us all the most solemn obligations.

These obligations, which bind us to settle international disputes by peaceful means, to refrain from the threat or use of force against the territory or independence of any country, and to support the United Nations in any action it may take to preserve peace, are all clearly stated in the North Atlantic Treaty.

Today, as this Treaty comes into effect, it seems particularly appropriate to rededicate ourselves to the carrying out of the great task we have set for ourselves -- the preservation of stability and peace. No nation need fear the results of our cooperation toward this end. On the contrary, the more closely the nations of the Atlantic community can work together for peace, the better for all people everywhere.

April 19, 1950.

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The President today sent the following letter to the Honorable James Bruce, accepting his resignation as Director of the Mutual Defense Assistance Program:

"April 19, 1950

Dear Jim:

I have your letter of resignation as Director, Mutual Defense Assistance Program, and recall that you agreed to accept this important assignment as a result of my personal request and at considerable personal sacrifice with the understanding that it would be only for a temporary period. In view of this, I must reluctantly accept your decision, effective May 1.

In accepting it, however, I want to express to you my deep appreciation for the splendid service you have rendered in establishing an effective and efficient organization for the execution of the Mutual Defense Assistance Program. This work has provided the foundation which is so essential to the building of the defensive strength which may make possible the achievement of those conditions under which we and like-minded nations may live in peace.

You have served this Administration well, both in your present job and as Ambassador to Argentina. I wish you the best of everything as you return to private life.

Very sincerely yours,

HARRY S. TRUMAN

Following is the text of Mr. Bruce's letter:

"February 20, 1950

My dear Mr. President:

As you asked me to transmit the Mutual Defense Assistance Program, I was underlined the deadline as my services would be March 1.

As of the present time, everything you asked me to do has been accomplished. Our arrangements with the foreign governments have all been completed and our military arms and munitions are already beginning to move in transit. The files will automatically segregate itself very speedily.

We have built up a fine organization, of which you and the State Department can be very proud. The men who will carry this on are first class executives in every respect, of great ability and honesty of purpose. I have no reservations whatsoever regarding the management.

In resigning I want to express to you my association of the MDA cooperation of my associates in the State Department, of the Department of Defense and of the S.C.A., as well as your ambassadors abroad, whose team work in the development of this very difficult operation has left nothing to be desired.

It is always a great pleasure to serve you.

Sincerely yours,

JAMES BRUCE

January 27, 1950

CONFIDENTIAL The following Statement by the President and Executive Order "JUSTICE REL" BY WILLIAM H. HALL is authentic at 2:30 P.M., E.S.T., today, January 27, 1950.

The same release applies to all newspapers, radio commentators and news broadcasters.

CHARLES G. ROSS
Secretary to the President

STATEMENT BY THE PRESIDENT

During the past two years the free nations of Europe, with the help of the United States, have made great strides toward recovery. An essential element in this program has been the establishment of conditions in Western Europe adequate to give confidence to the people and to insure a reasonable prospect that the fruits of their labor would not be immediately lost in the event of aggression.

It was realized that an adequate security arrangement could be organized only if the free nations of Western Europe joined together and strengthened their individual and collective defense through self-help and mutual aid and if the United States joined in the collective enterprise. In recognition of this fact, the North Atlantic Treaty was signed on April 4, 1949. Further, in recognition of the concept of self-help and mutual aid embodied in Article 3 of the Treaty, I asked the Congress to authorize the furnishing of military assistance to certain of its signatories. At the same time I requested authorization to furnish military assistance to certain other free nations.

In response to my request, the Congress passed the Mutual Defense Assistance Act of 1949 on October 3, 1949. Under its provisions I am authorized to furnish military assistance to certain foreign countries which meet the specific conditions prescribed in the law. In the case of parties to the North Atlantic Treaty, three such conditions are imposed. In the first place, to be eligible for assistance, the country must have requested such assistance prior to the effective date of the law. Secondly, \$300,000,000 of the \$1,000,000,000 in funds and contract authority made available for assistance in the North Atlantic area can only be utilized after I approve recommendations for an integrated defense of the North Atlantic area made by the Council and the Defense Committee established under the North Atlantic Treaty. Finally, as a condition precedent to the furnishing of assistance to any country, the recipient must have entered into an agreement with the United States embodying certain commitments concerning its use.

Prior to the effective date of the law, the Department of State received requests for military assistance from the following North Atlantic Treaty countries: Belgium, Denmark, France, Italy, Luxembourg, the Netherlands, Norway, and the United Kingdom.

The North Atlantic Defense Committee, at its meeting in Paris on December 1, 1969, agreed unanimously on recommendations made by the Military Committee for the integrated defense of the North Atlantic area, and the North Atlantic Council unanimously approved these recommendations on January 6, 1970. Subsequently, the Secretary of State and the Secretary of Defense recommended that I approve them.

I have today approved these recommendations as satisfying the pertinent provisions of the Mutual Defense Assistance Act of 1950.

I have a proved tone because I am satisfied that they provide for the accomplishment of an integrated defense of the North Atlantic area. They do this by providing for a common defense based on the cooperative use of national military resources and on individual national specialization. They contain agreement that these resources, including United States military as it is, will be used with maximum efficiency and will not be used to develop separate and uncoordinated defenses.

The North Atlantic Treaty is in itself a deterrent to aggression. I believe that these recommendations which have been agreed to by the governments of the North Atlantic Treaty nations constitute a major achievement under the Treaty. They provide further convincing evidence of the determination of these nations to resist aggression against any of them and are a definite indication of the genuine spirit of cooperation among the Treaty members.

The Mutual Defense Assistance Act of 1950 also provided that the United States should conclude agreements with the countries which request and are to receive military assistance. Such agreements are being signed today by the Secretary of State and representatives of Belgium, Denmark, France, Italy, Luxembourg, the Netherlands, Norway, and the United Kingdom. Their texts will be made public and they will be registered with the United Nations.

In view of these significant developments, I have today also made formal provision for the administration of the Mutual Defense Assistance Act by issuing an executive order authorizing the Secretary of State to proceed with the program in consultation with the Secretary of Defense and the Administrator for Economic Cooperation.

These developments are the result of close cooperation among free nations which intend to remain free. They are, of course, first steps. The successful implementation of the North Atlantic Treaty will require constant and continuing effort and cooperation by all its members. Fighting for defense cannot be static. It must be constantly reviewed and revised in the light of changing circumstances and it must be flexible to allow for maximum coordination of effort at all times.

EXECUTIVE ORDER

10099

PROVIDING FOR THE ADMINISTRATION OF THE
MUTUAL DEFENSE ASSISTANCE ACT OF 1949

By virtue of the authority vested in me by section 404 of the Mutual Defense Assistance Act of 1949, approved October 4, 1949 (Public Law 329, 81st Congress), hereinafter referred to as the Act, and as President of the United States, it is hereby ordered as follows:

1. (a) The Secretary of State is authorized and directed to perform the functions and exercise the powers and authority vested in the President by the Act, except by sections 308, section 405, subsection (a) of section 406, clause 2 of subsection (b) of section 407, and subsection (b) of section 411 thereof.

(b) Within the scope of the authority delegated to him by this order, the Secretary of State shall (1) have responsibility and authority for the direction of the programs authorized by the Act, (2) make full and effective use of agencies, departments, establishments, and wholly-owned corporations of the Government, with the consent of the respective heads thereof, in the conduct of operations under such programs, and coordinate the operations of such programs among them, and (3) advise and consult with the Secretary of Defense and the Administrator for Economic Cooperation in order to secure the coordination of the mutual-defense-assistance activities with the national-defense and economic-recovery programs.

2. All assistance provided to recipient countries under the authority delegated by this order shall be in conformity with programs approved by the Secretary of State after consultation with the Secretary of Defense and the Administrator for Economic Cooperation. As provided in section 401 of the Act, no equipment or material may be transferred out of military stocks if the Secretary of Defense, after consultation with the Joint Chiefs of Staff, determines that such transfer would be detrimental to the national security of the United States or that such equipment or material is needed by the reserve components of the armed forces to meet their training requirements. The Administrator for Economic Cooperation shall advise the Secretary of State concerning the effect of programs approved by the Secretary of State under the authority delegated to him by this order upon the achievement of the purposes of the Economic Cooperation Act of 1948, as amended, and of the purposes of the United States program of economic assistance in Korea.

3. Funds appropriated or otherwise made available for the purposes of carrying out the portions of the Act pertinent to the authority delegated by this order may be allocated by the Secretary of State to any agency, department, establishment, or wholly-owned corporation of the Government for obligation and expenditure in accordance with programs approved by the Secretary of State under each authority.

HARRY S. TRUMAN

THE WHITE HOUSE

January 27, 1950

June 1, 1950

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CONFIDENTIAL: To be held in STRICT CONFIDENCE and no portion, synopsis or translation to be given out or published until the READING of the President's Message has begun in either the Senate or House of Representatives. Extreme care must therefore be exercised to avoid premature publication.

CHARLES C. ROSS
Secretary to the President

TO THE CONGRESS OF THE UNITED STATES:

I recommend that the United States continue to provide military aid to other free nations during the fiscal year 1951, as part of the common effort to increase the strength of the free world in the interest of world peace. New authorizations are necessary to extend the program begun last year and advanced so successfully since that time.

This program is a further strengthening of the principles of peace on which this country bases its foreign policy. Through the charter of the United Nations, the member nations have pledged themselves to the settlement of disputes by peaceful means, and to refrain from the threat or use of force against the territory or independence of any nation. In spite of these solemn pledges, there is clear evidence that certain adherents to the Charter will not hesitate to use force and to threaten the integrity of other countries if it suits their purposes. It has proved necessary to take further steps to defend the principles of the Charter, and the freedom of the member nations against this threat.

The United States and other free nations must be strong if they are to remain free. Communist imperialism has shown itself ready to exploit weakness and to attack nations which do not have the strength to resist. That imperialism seeks to gain its ends by intimidation, by fomenting disorder, and by attempts to force internal collapse.

But experience has shown that the destiny of communist imperialism can be thwarted if the intended victims of that imperialism are strong. Communist aggression can be successfully contained by people who value their independence and are determined to take the actions necessary to remain free.

The strength that is necessary to meet the communist threats must take many forms — moral, political, economic, and military — because the communist challenge takes all these forms. Furthermore, the strength to meet communism must be the combined strength of the free nations. No one nation alone can be successful.

Recognizing these facts, we have entered wholeheartedly into cooperative action with other free nations. We are contributing to the greater strength of the free world, and our own strength is being enhanced by the contributions of the other free nations joined with us.

The cooperative economic programs in which we are engaged — principally the European recovery program — are excellent examples of the way joint action can add to the strength of all of us. By such joint economic action the free nations are building the foundation of their own security. Economic strength is now, and will continue to be, a prerequisite to the attainment of lasting political and military strength, and world peace.

To enhance this strength, we are engaged in cooperative action to build a stronger defense against aggression. In the Western Hemisphere

and the North Atlantic area, we have entered into collective security arrangements within the framework of the United Nations Charter. In other parts of the world, we have helped to strengthen individual countries whose security is important to peace, and to our own security.

Our major effort has been devoted to Western Europe, because two great wars in this century have shown us beyond any doubt that our prosperity, our security, and indeed our survival, are bound up with the fate of the nations of Western Europe. In the face of the continuous threat to the common peace and security, we entered last year into a compact with eleven other countries in the North Atlantic area. Together, we announced the principle that an attack on one would be regarded as an attack on all.

This was a historic step that has great meaning both here and abroad. It was evidence that our people, and the people in the other countries which signed the North Atlantic Treaty, reject the dangerous fantasy of isolationism and understand the necessity of cooperation with other countries if peace and freedom are to be preserved.

Following the ratification of the Treaty, the nations set about the practical task of providing for their common defense. The prompt enactment by the Congress of the Mutual Defense Assistance Act was one step toward that goal. To assure Western Europe and other nations whose freedom was threatened, the Congress authorized three types of aid: first, the direct supply of certain essential items of military equipment; second, the assistance of specialists in military production and training; and third, the transfer of machine tools and materials to enable increased production of military equipment. For these purposes, the Congress has yet made available \$1,314,010,000 in funds and contract authority. A detailed description of the specific accomplishments of the mutual defense assistance program will be found in the report of activities under the program which I am submitting separately to the Congress.

\$1,000,000,000 of the sum made available last year was to promote the integrated defense of the North Atlantic area. We have made great strides toward this objective in the short period since the Act became effective. We have created an organization, and established procedures, which will assure the prompt carrying out of the program. Equipment has begun to flow abroad.

The North Atlantic Treaty countries have agreed on the general role which each is to play in the common defense. We are succeeding for the first time in history in overcoming considerations of national prestige and tradition, under which each nation felt bound to equip itself completely with men and resources in every branch of military activity. Our common defense planning, instead, will be based on a considerable degree of specialization. This will bring a much larger total strength from the resources devoted to defense purposes.

The recent meeting of the North Atlantic Treaty Council emphasized the need for balanced collective forces, and established a permanent group, one of the tasks of which will be to function continuously in giving direction to the joint efforts of the Treaty partners toward this objective.

The complex work of preparing detailed defense plans, based on the concept of balanced collective forces, is now going forward. We have not yet fully determined the size and the nature of the forces and equipment necessary to keep ourselves against future aggression directed toward the North Atlantic area. But one thing is already plain. The military establishments of Western Europe are below the minimum level consistent with security. Those countries must build up their forces as swiftly as their resources permit, assisted by such help as we can afford. To this end, I recommend that the Congress authorize additional funds in the amount of \$1,000,000,000 for the next fiscal year. In conjunction with our own defense budget, and the defense budgets of the other Treaty countries, this will continue the work so well begun to bolster the defenses of the North Atlantic area.

(a) all orders, regulations, rulings, certificates, directives, agreements, contracts, delegations, and other actions of any department, agency, or other establishment or officer of the Government relating to any function or under any authority continued in effect by the Mutual Security Act of 1951 shall remain in effect insofar as they are inconsistent herewith or are hereafter amended or revoked under proper authority.

(d) Executive Order No. 10099 of January 27, 1950, is hereby revoked. The International Security Affairs Committee (approved by the President December 19, 1950) is hereby terminated. The provisions of the identical letters of the President transmitted to the Secretary of State and the Administrator for Economic Cooperation on April 5, 1951, are hereby revoked.

Sec. 6. Relinquish. As used in this order the term "functions" embraces duties, powers, responsibilities, authority, and discretion.

HARRY S. TRUMAN

THE WHITE HOUSE

November 1, 1951.

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to help themselves by producing the equipment they need. The limitations in the law which prevent the furnishing of production equipment other than machine tools has interfered with programs of additional military production in a way which I am confident was not intended by the Congress. Accordingly, I recommend that the Congress authorize the provision of production equipment without limiting it to machine tools.

The recommendations I have made will, I believe, contribute to greater common strength among the free nations. They are designed, just as our own defense program is designed, to build the necessary level of military strength to discourage aggression, without undermining the economic strength which is fundamental to long-run security. In this field, as in others, we must preserve the momentum we have gained by our actions to build a stable peace.

The great concerted program of the free nations is a positive and dynamic program of constructive action, to use our combined resources to expand freedom and increase the well-being of all free people. The elements of our program -- moral, political, economic, and military -- are all inter-related. Each is an indispensable part of the whole effort to increase the strength of the free world against communist aggression -- each is vital to the effort for peace and human advancement.

Our program for peace is consistent with the legitimate aspirations of all nations -- it is a program which can be joined, fully and honorably, by any nation which sincerely desires to work for peace with freedom and justice. The United States is not interested in building up power blocs which compete for resources and seek to dominate others. We are striving for conditions of peace under which all nations and all peoples can advance together toward greater freedom and happiness.

That is why we are continuing to give unfettering support to the United Nations, and to all efforts to make it a more effective agency for world order.

That is why we are continuing to work toward world economic recovery, and a structure of international economic relationships which will permit each country, through the free flow of trade and investment, to achieve sound economic growth.

That is why we must continue to strengthen the common defense of free nations to the point where communist imperialism comes to realize the impossibility of taking them over. When this is done, the leaders of this imperialism will recognize that their own interests will be served by cooperating with the free nations. Then -- and only then -- will a lasting peace be achieved.

HARRY S. TRUMAN

THE WHITE HOUSE,

June 1, 1950.

JULY 20, 1950

STATEMENT BY THE PRESIDENT

Mr. Charles H. Spofford, whom I have appointed Deputy U. S. Representative, North Atlantic Council, will leave for London shortly to assume his duties. The Secretary of State and I have discussed with him the nature of the tasks which lie ahead of the North Atlantic Treaty Organization.

The North Atlantic Council, in its meeting during May, stressed the urgency of building the defenses of the North Atlantic area. As I indicated in my message to the Congress on Wednesday, we cannot safely ignore the possibility of aggression in other parts of the world besides the Far East, and it is even more urgent now than it was in May to strengthen the collective defenses of the North Atlantic area.

Through the Council of Deputies, which will convene in London next week and on which Mr. Spofford will represent the United States, our Government will be in continuous contact with the other North Atlantic Treaty nations in a common effort to speed the measures necessary for our collective security. Mr. Spofford's job is vitally important in this common effort, and I wish him success as he leaves to assume his responsibilities.

I am pleased to announce that Mr. John Sherman Cooper will accompany Mr. Spofford to the initial meetings of the Deputies as a special adviser.

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The President today transmitted to the Congress supplemental estimates of appropriation for the fiscal year 1951 amounting to \$10,486,975,000 for the Department of Defense. The request for additional defense appropriations was forecast in the President's message of July 19, 1950, on the situation in Korea.

In his letter to the Speaker of the House of Representatives transmitting the request, the President stated: "The purpose of these proposed estimates is two-fold: first, to meet the immediate situation in Korea, and second, to provide for an early, but orderly, build-up of our military forces to a state of readiness designed to deter further acts of aggression.

"The additional requirements for Korea provided for in these estimates are urgently needed and will receive the first priority in the execution of the program recommended herein. This situation is still fluid, however, in the course of the year it may be necessary to make some program changes. For this reason I am requesting authority to adjust by ten per cent any single appropriation by transfer from other appropriations. This will also permit any desirable adjustments in the second or build-up phase contemplated by these estimates. With respect to this latter part of the requirement, it is my intention that the expansion of the forces will be done in an orderly, efficient and economical manner, recognizing the need for flexibility to meet changing conditions."

The supplemental estimate is divided as follows:

Army	\$5,063 million
Navy and Marine Corps	2,648 million
Air Force	4,535 million
Establishment-Wide Activities	240 million

The revised estimates call for an increase in the planned fiscal year-end strengths of military personnel of about 600,000.

Of the total estimate transmitted to the Congress today, \$1,542,800,000 is for military pay, clothing and allowances; and \$2,504,000,000 is for the operation and maintenance of plants and facilities, such as tanks, planes, guns and ships. Aircraft procurement amounts to \$3,344,600,000; ship construction, \$165,000,000; and tanks, guns, field artillery, electronics and other major procurement, \$2,645,000,000. The remainder of the estimate, \$463,976,000, is for high priority construction, research development, industrial mobilization, miscellaneous establishment-wide activities and contingencies.

(0702)

The specific appropriation requests follow:

DEPARTMENT OF THE ARMY

<u>Appropriation</u>	<u>Amount</u>
Contingencies of the Army.....	\$ 10,000,000
Finance Service, Army:	
Pay of the Army.....	183,090,000
Travel of the Army.....	50,800,000
Finance Service.....	4,000,000
Quartermaster Service, Army:	
Welfare of Enlisted Men.....	2,564,000
Subsistence of the Army.....	178,743,000
Regular Supplies of the Army.....	42,430,000
Clothing and Equipage.....	152,817,000
Incidental Expenses of the Army.....	33,086,000
Transportation Service, Army.....	238,633,000
Signal Service of the Army.....	146,782,000
Medical and Hospital Department, Army.....	11,446,000
Engineer Service, Army.....	329,118,000
Ordnance Service and Supplies, Army.....	1,436,321,000
Chemical Service, Army.....	31,853,000
Army Training.....	2,667,000
Army National Guard.....	17,648,000
Organized Reserves.....	4,806,000
Reserve Officers Training Corps.....	3,000,000
Salaries, Department of the Army.....	7,112,000
Continental Expenses.....	7,011,000
Expediting Production.....	125,000,000
TOTAL, DEPARTMENT OF THE ARMY	\$3,089,154,000
Civil Functions:	
Alaska Communications.....	4,383,000
GRAND TOTAL	\$3,085,847,000

DEPARTMENT OF THE NAVY

Military Personnel, Navy.....	436,489,000
Navy Personnel, General Expenses.....	16,016,000
Military Personnel, Marine Corps.....	128,348,000
Marine Corps Troops & Facilities.....	168,766,000
Aircraft and Facilities.....	145,078,000
Construction of Aircraft and Related Procurement.....	646,368,000
Ships and Facilities.....	483,748,000
Construction of Ships.....	186,000,000
Ordnance and Facilities.....	816,077,000
Medical Care.....	16,431,000
Civil Engineering.....	35,404,000
Service-Wide Supply and Finance.....	163,563,000
Service-Wide Operations.....	29,725,000
TOTAL, DEPARTMENT OF THE NAVY	\$2,848,028,000

DEPARTMENT OF THE AIR FORCE

Construction of Aircraft and Related Procurement.....	2,777,300,000
Special Procurement.....	460,700,000
Acquisition and Construction of Real Property.....	166,700,000
Maintenance and Operations.....	799,300,000
Military Personnel Requirements.....	307,000,000
Salaries and Expenses, Administration.....	21,500,000
TOTAL, DEPARTMENT OF THE AIR FORCE	\$4,335,400,000

ESTABLISHMENT-WIDE ACTIVITIES

Contingencies, Department of Defense.....	\$0,000,000
Emergency Fund, Department of Defense.....	120,000,000
TOTAL, ESTABLISHMENT-WIDE ACTIVITIES	\$ 240,000,000

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JULY 26, 1950

CONFIDENTIAL: The following Statement by the President in connection with the signing of the amendment to the Mutual Defense Assistance Act is for automatic release at 12:00 noon, E.D.S.T., today, Wednesday, July 26, 1950. 18

PLEASE GUARD AGAINST PREMATURE PUBLICATION OR RADIO ANNOUNCEMENT.

CHARLES G. BOSS
Secretary to the President

STATEMENT BY THE PRESIDENT

I have today signed S. 3809, the Act which will enable our country to continue military aid to certain free nations of the world.

The overwhelming support for this act among the Members of Congress is a further mark of the unity of purpose of the American people in support of the foreign policy of the United States. Such support serves to remind those bent on aggression that they dare not count on a division of opinion among our people to help them gain their evil ends.

We are today engaged in a serious undertaking in the Far East — carrying out our responsibility as a member of the United Nations. Side by side with us, under the flag of the United Nations, stand other members of the United Nations who have joined to put down the raw aggression which would deprive the people of the Republic of Korea of their freedom.

This spectacular breach of the peace does not lessen our concern in those other places in the world where aggression would likewise affect the collective security of the free nations.

We are bound by a solemn pledge to regard an attack on any of the members of the North Atlantic Treaty as an attack on us. This pledge recognizes that the fate of the United States and that of western Europe are bound together. The act signed today is a further step toward the common goal of the North Atlantic Treaty nations. Our goal is to create the kind of strength which will deter potential aggressors from attacking so formidable and united a group; and to defeat aggression, should it come.

This Act will permit the United States to make a significant contribution to that goal by providing some of the equipment and materials which our European partners urgently need in building up the strength they require. That we provide will be used, under the recent determination of the North Atlantic Council, to equip balanced collective forces of the North Atlantic Treaty nations which are now being created.

In Greece, in Turkey, and in Iran, this Act will permit us to continue to help keep those bastions strong and determined — free of alien influence, and free to grow and develop in their own way.

The Act also authorizes military assistance to Asia and the Far East, in parts of which direct conflict is now going on.

The military assistance authorized by this Act, the economic assistance and the other foreign aid measures we have undertaken — indeed, our entire foreign policy — recognize one central fact — that today the freedom-loving nations are determined to stand together to preserve their freedom.

August 1, 1950

#2491

20

The President today sent the following letter to the Honorable Sam Rayburn, Speaker of the House of Representatives, transmittal of a supplemental estimate of appropriations to provide military assistance to foreign nations:

"Sir:

I enclose herewith for the consideration of the Congress a supplemental estimate of appropriations for the fiscal year 1951 of \$4,000,000,000 to provide military assistance to foreign nations.

As I pointed out in my message to the Congress on July 19, 1950, the communist assault on the Republic of Korea has challenged the authority of the United Nations and jeopardized world peace.

It is now clear that our free nations must accelerate the efforts they are making to strengthen their common security. They now have no alternative but to increase rapidly their preparedness to defend the principles of international law and justice for which the United Nations stands. This course provides the best hope of deterring future calculated outbreaks against the peace of the world.

In view of this urgent necessity, we have been reviewing the requirements for the common defense of the free world. We have been consulting with our associates in the North Atlantic Treaty with a view to determining additional resources that must be used and by us to provide an adequate common defense. Most of these nations, like ourselves, are now making plans to increase their production of defense equipment and their armed forces. The greater share of this effort will, of course, be assumed by these nations themselves, out of their own resources. However, the various perils with which they are confronted make it necessary for us to increase our military effort if they are to make their maximum contribution to the common defense. It is not yet possible to determine exactly what each nation involved in our common defense can and should provide.

It is already clear, however, that the security of the free world requires our United States and the other free nations to put forth a far larger effort in a much shorter period of time than was originally been contemplated.

For this reason, I recommend that the Congress provide \$4,000,000,000 in additional funds, to be used under the Mutual Defense Assistance Program. Of this amount, it is estimated that \$3,804,000,000 will be required for strengthening the security of the North Atlantic area. The security of this area is of paramount importance to the strength of the entire free world.

The balance of the funds requested would be devoted to expanding and accelerating our military assistance in vital areas in other parts of the world. It is estimated that \$193,000,000 will be required to accelerate and increase the largest program of military assistance to Greece, Turkey, and Iran. In view of the increased jeopardy to the Pacific area caused by the communist aggression in Korea, it is estimated that \$303,000,000 will be required to increase and accelerate military assistance to the Republic of the Philippines and to other nations in southern and eastern Asia. These funds, added to the amounts already provided and to the resources supplied by other nations, will aid in bringing our common defensive strength more quickly to the level now shown to be necessary.

It is imperative that the Congress make the requested amount available as soon as possible. The bulk of this money will be used to procure military equipment of the kind which takes a long time to produce. Much of it will not come off the production lines for 12, 18, or 24 months after the signing of the procurement contracts. Speed in getting this production underway is imperative, if we are to have the equipment for our expanded forces that are being formed.

The productive capacity of the entire free world should be drawn on to provide the necessary equipment. The need is so great and so urgent that we should obtain the necessary defense articles wherever they can be produced most quickly, most cheaply, and with the most efficient use of the economic resources of the free nations.

While it will undoubtedly be necessary for the United States to manufacture the major part of the equipment to be supplied out of these funds, it will also be necessary for other nations to share the burden to the extent that they can. A significant portion of the arms needed can be produced abroad. In many instances, however, there are resources and manpower which foreign countries can allocate to defense production only if those countries are supplied with additional production equipment and materials. Such equipment and materials will substantially increase the productive resources which the free nations can devote to the common defense.

It is contemplated, therefore, in the program I am recommending, that part of the funds requested will be used to procure military items and production equipment and materials abroad, and to provide equipment and materials, procured in the United States or in other countries, for defense production abroad. Authority already exists for these activities under the Mutual Defense Assistance Program. If we are to take full advantage of foreign productive capacity, we will have to use greater sums for these purposes than we have been using in the past, and will have to purchase the necessary military equipment or production aids in any market where such procurement can be most effectively accomplished.

Equipment which is procured abroad under this program can either be used within the country which produces it or transferred to other countries engaged in the common defense. The equipment produced abroad, and that produced in the United States, under the Mutual Defense Assistance Program, will be made available to other free countries in accordance with their needs and their ability to use it effectively. To the extent that this equipment is not made available to other countries, it will constitute a valuable addition to our own defense stocks. I wish to make it very plain that this equipment will go forward to other countries only in supplement, and not to take the place of, their own strong efforts. Transfers to other North Atlantic Treaty nations will be consistent with definite defense plans developed by the Treaty Organization.

In intensifying our efforts and the efforts of those joined with us to increase our common defensive power, we must not lose sight of the fact that military power rests on economic strength.

It is vitally important that the free nations create a greater degree of combined military strength in being than has been previously maintained. It is also vitally important that we continue to build up our combined economic strength, capable of rapid mobilization in the event of emergency.

The expansion of the annual defense program will not be a substitute for economic aid. On the contrary, the burden which we expect the other nations to bear in the common defense effort makes it all the more necessary to continue our economic aid. A greatly expanded program of defense production will impose serious economic burdens, and the cost of maintaining expanded military forces will add to those burdens.

Therefore, if the free nations are to achieve the economic and military strength which are necessary for our common defense, we must continue to give full support to the European recovery program.

The increased military aid program I am recommending is as vital to our national security as the increased military appropriations I have previously recommended for our own armed forces. The security of the United States is inseparably bound up with the survival of the free nations associated with us in the common defense.

In view of the necessity for prompt action, and in view of the fact that the appropriate legislative committees of the Congress have so recently reviewed the Mutual Defense Assistance Program, Congressional leaders of both parties have generously assured me that they will cooperate in obtaining early consideration of this matter in connection with an appropriation bill.

The details of the appropriation estimate are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith.

Respectfully yours,

/s/ HARRY S. TRUMAN."

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SEPTEMBER 9, 1950

21

STATEMENT BY THE PRESIDENT

On the basis of recommendations of the Joint Chiefs of Staff, concurred in by the Secretaries of State and Defense, I have today approved substantial increases in the strength of United States forces to be stationed in Western Europe in the interest of the defense of that area. The extent of these increases and the timing thereof will be worked out in close coordination with our North Atlantic Treaty partners. A basic element in the implementation of this decision is the degree to which our friends match our actions in this regard. Firm programs for the development of their forces will be expected to keep full step with the dispatch of additional United States forces to Europe. Our plans are based on the sincere expectation that our efforts will be met with similar action on their part. The purpose of this measure is to increase the effectiveness of our collective defense efforts and thereby insure the maintenance of peace.

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September 9, 1950

CONFIDENTIAL: The following address of the President, to be delivered by radio from his office in the White House at 10:30 p.m., E.D.T., ON FOR RELEASE at 8:30 p.m., E.D.T., tonight, Saturday, September 9, 1950.

CHARLES C. ROSS
Secretary to the President

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Last week, I talked with you about Korea, and about our efforts to maintain peace and freedom in the world.

Tonight, I want to talk with you about what we must do here at home to support our fighting men and to build up the strength which the free world needs to deter communist aggression.

The leaders of communist imperialism have great military forces at their command. They have shown that they are willing to use these forces in open aggression, in spite of the united opposition of all the free nations. Under these circumstances, the free nations have no alternative but to build up the military strength needed to support the rule of law in the world. Only in this way can we convince the communist leaders that aggression will not pay.

To do our part in building up our military strength and the military strength of the free nations throughout the world, the United States must more than double its defense efforts. We have been spending about fifteen billion dollars a year for defense. We are stepping up this rate rapidly. By next June, under our present plans, we expect to be spending at the rate of at least thirty billion dollars a year. In the year after that, we shall probably have to spend much more than thirty billion dollars. And we must be prepared to maintain a very strong defense program for many years to come.

This defense program cannot be achieved on the basis of business as usual. All of us -- whether we are farmers, or wage earners, or businessmen -- must give up some of the things we would ordinarily expect to have for ourselves and our families.

The danger the free world faces is so great that we cannot be satisfied with less than an all-out effort by everyone. We have not given up our goal of a better life for every citizen in this great country of ours. But, for the time being, we have to make absolutely sure that our economy turns out the guns and planes and tanks and other supplies which are needed to protect the world from the threat of communist domination.

To do this job, we must meet and solve three hard, tough problems.

First, we must produce the materials and equipment needed for defense.

Second, we must raise the money to pay the cost of our increased defense efforts.

Third, we must prevent inflation.

Solving these three problems is the challenge we face on the home front. And we must solve them if we are to preserve our freedom and the peace of the world.

First is the problem of producing the materials and equipment we need for defense. We can do that. But it will impose great new demands upon the productive power of our economy.

To meet these demands, we must do everything we can to expand our total production. This will require harder work and longer hours for everybody. It will mean additional jobs for women and older people.

It means that businessmen should expand productive facilities, develop new techniques, and increase efficiency in every way possible. It means enlarging our capacity to produce basic materials such as steel, aluminum, and copper.

America's productive ability is the greatest in the history of the world, and it can be expanded a great deal more to meet the conditions with which we are faced. With our economy now producing at an annual rate approaching 275 billion dollars, the goal I set last year of a 300 billion dollar economy by 1950 will undoubtedly be far surpassed. With this kind of dynamic growth, we can arm ourselves and help arm the free world. We can improve our industrial plant and maintain the civilian efficiency and morale which underlie our defensive strength.

But we cannot get all the military supplies we need now from expanded productive alone. This expansion cannot take place fast enough. Therefore, to the extent necessary, workers and plants will have to stop making some civilian goods and begin turning out military equipment.

This job of building new plants and facilities and changing over to defense production is a challenge to our free economy.

Managements and labor men and will do most of this defense production job on their own initiative. But there are certain steps which the Government must take to see that the job is done promptly and well.

Yesterday, I signed a new law, the Defense Production Act of 1950. This law will enable the Government to provide special financial help to businessmen where that is necessary to enlarge the production of our mines and factories for defense purposes.

This law also will enable the Government to make sure that defense orders have top priority, and that manufacturers get the steel, aluminum, copper, and other materials they need to fill such orders. This law gives the Government the power to prevent the hoarding of raw materials essential to defense. It also enables the Government to cut down the production of non-essential civilian goods that use up critical materials.

I have today issued an Executive Order authorizing the appropriate agencies of the Government to exercise these new defense production powers. The administration of these and other powers granted by the new law will be coordinated by the Chairman of the National Security Resources Board, Mr. W. Stuart Symington.

I have directed the agencies to exercise these production powers vigorously and promptly, making use of every resource of American business, large and small. These powers will be administered with one paramount purpose in mind: to produce the defense equipment we need as rapidly as possible.

Our second problem is to pay for our increased defenses. There is only one sensible way to do this. It is the plain, simple, direct way. We should pay for them as we go, out of taxes.

There are very good reasons for this.

To the extent that we finance our defense effort out of taxes now, we will avoid an enormous increase in the national debt. During World War II, we borrowed too much and did not tax ourselves enough. We must not run our present defense effort on that kind of financial basis.

Furthermore, if we tax ourselves enough to pay for defense, we will help to hold down prices. Inflation would hurt us more in the long run than higher taxes now. Inflation would benefit the few, and hurt lots many. Taxation -- just and equitable taxation -- is the way to distribute the cost of defense fairly.

This means heavier taxes for everybody. It will mean a hard fight against those unpatriotic people who will try, by every possible means, to make exorbitant profits out of the emergency and escape their fair share of the load.

But we can and will win that fight.

No one should be permitted to profiteer at the expense of others because of our defense needs. Nobody should get rich out of this emergency.

Congress is now considering my request to increase corporation and individual income taxes by about five billion dollars a year. This is only the first installment. I believe the Congress should enact further the legislation as soon as possible. Among other things, this should include a just and fair excess profits tax, which will recapture excess profits made since the start of our communist aggression in Korea.

I hope that every one of you will get behind this plan of "pay as we go" for the defense program. I hope you will give your full support to your representatives in Congress in enacting legislation to pay for this defense effort out of current income.

Our third problem is to carry out the defense program without letting inflation weaken and endanger our free economy.

Everybody must understand just why we have this problem and why it is so important to solve it.

The defense program means that more men and women will be at work, at good pay. At the same time, the supply of civilian goods will not keep pace with the growth in civilian income. In short, people will have more money to spend, and there will be relatively fewer things for them to buy. This inevitably means higher prices, unless we do something about it. Higher prices would lead to higher wages which in turn would lead to still higher prices. Then we would be started on the deadly spiral of inflation.

Everybody would lose if we let inflation go unchecked.

Workers would be hurt. The extra dollars in Saturday's pay check would be taken away by the higher prices for Monday's groceries.

The wives and children of our fighting men would be hurt even more. They would suffer far worse than our workers, because many of them are dependent on fixed family allowances.

Everybody living on a pension, on retirement benefits, or a fixed income of any kind would be hurt in the same way.

Millions of individuals would be caught between spiralling prices and lagging incomes.

The Government -- and that means all of us -- also would be hurt because the cost of our defense program would skyrocket.

We must not let these things happen.

In the new Defense Production Act provides the Government with certain powers to stabilize prices and wages. But the fight against inflation is not just the Government's fight. It cannot be won just by issuing Government regulations.

It is your fight, the fight of all of us, and it can be won only if all of us fight it together.

I want to talk with you, first of all, about what we must do as loyal, intelligent, and responsible citizens, quite apart from any Government regulations.

For the consumer, the guiding principle must be: Buy only what you really need and cannot do without.

Every American housewife has a most important responsibility. She must not buy more than she needs. She must put off buying whenever she can. If she does this, there will be enough of the essentials -- in fact, enough of almost everything -- to go around. If the housewife insists on buying more than she needs, there will not be enough to go around, and prices will go up.

For example, there was a rise of about two and one-half per cent in retail food prices between June 15 and July 15. Most of this rise was due to panic buying and profiteering. We are finding out now that there was no reason for panic. The ample supplies of sugar, for instance, show how foolish it was for some people to hoard sugar last June and July. We have plenty of food.

As foolish panic buying has subsided, retail food prices have declined more than one and one-half per cent from their high levels of last July.

I am glad to see that people have stopped most of the scare buying that started right after the outbreak of communist aggression in Korea. A lot of credit should go to those people throughout the country who have organized movements against hoarding and panic buying.

To take one example, housewives in Portland, Maine, signed and carried out an anti-hoarding pledge. This was a real public service. It was a patriotic act, and I hope that other groups elsewhere are doing the same kind of thing to hold prices at an even keel.

For businessmen, the guiding principles must be: Do not pile up inventories; hold your prices down.

There is obviously no excuse for price increases where costs have not risen -- and in many industries costs have not risen since the outbreak of fighting in Korea. Where costs have risen, there is no excuse for price increases which go beyond the amount of the rise in cost. Individual price adjustments may have to be made here and there to correct inequities, but there is no need for general price increases. In fact, many businessmen are enjoying large enough margins of profit so that they do not need to raise their prices even though they have incurred higher costs.

In cases where price increases have already been made without being justified by higher costs, businessmen should reduce these prices immediately. I have been told about companies that have increased the prices of all their products -- all the way across the board -- without corresponding increases in costs. That is just plain profiteering, and should not be tolerated.

If businessmen will conscientiously review their prices, we shall see fewer price increases in the days and weeks to come, and a good many price reductions.

For wage earners, the guiding principle must be: Do not ask for wage increases beyond what is needed to meet the rise in the cost of living.

Our defense effort means that there will be an increasing number of jobs. If wage earners on that account ask for higher and higher wages, they will be driving prices up, all along the line. For the time being, therefore, wage increases should not be sought beyond what is necessary to keep wages in line with the cost of living. Existing inequities in wage rates, of course, can and should be corrected, with due consideration for recognized inter-industry relationships.

There is another guiding principle that applies to all of us -- consumers, wage earners, farmers, and businessmen. It is this: We should save as much as we can out of current income. Every dollar of saving now will serve several purposes. It will help hold prices down. It will help every family provide for the future, and it will also help provide investment funds needed to expand production.

The principles I have outlined will not be easy to maintain. They will require patriotism and self-restraint. But we are all in this situation together. We must be prepared to accept some reduction in our standards of living. I am sure that we will be willing to make sacrifices here at home, if we think of the much greater sacrifices being made by our sons and brothers and husbands who are fighting at the front.

If we adhere faithfully to the principles of self-restraint I have outlined, we can lessen the need for controls. But controls will still be necessary in some cases where voluntary individual action is not enough or where the honest majority must be protected from a few chiselers. In those cases, the Government will not hesitate to use its powers.

Government controls are needed right now to cut the volume of easy credit buying. Many of us would like to buy new household appliances, new automobiles, or new houses on easy terms -- and pay for them out of future income. But at a time like the present, easy credit buying is a dangerous inflationary threat. It will drive prices up. Furthermore, it will use up materials that we need for defense.

To prevent this, the Government is issuing an order requiring people to make higher down payments than usual, and to pay off the balance faster, when they buy such things as automobiles or refrigerators. The Government is also tightening up on easy credit for houses, especially higher-priced houses, and this, too, will save materials for defense.

As for prices and wages, the Government is not putting on mandatory ceilings at this time. But we will impose ceilings vigorously and promptly when the situation calls for them.

So that we may be ready to impose price ceilings when they are needed, I have today issued an order under the Defense Production Act requiring businessmen to preserve the records of their prices and costs during the base period of May 24 to June 24, 1950. This means that information will be available to set ceilings at fair levels, and to identify the sellers who have taken advantage of the present emergency.

I have also issued an order establishing an Economic Stabilization Agency, to be headed by a Stabilization Administrator. This Administrator will guide our voluntary efforts to hold down inflation. It will also be his task to find out where and when price and wage controls are needed.

The Administrator will have under him a Director of Price Stabilization, who will help him determine what should be done to hold prices to line. He will also have under him a Wage Stabilization Board composed of representatives of labor, management, and the public. This board will help determine wage policies.

The Stabilization Agency will go to work first on present danger spots. The Agency will consult with management and labor and will attempt to work out the necessary safeguards without compulsion. However, if these efforts fail, price ceilings and wage restrictions will have to follow.

The law which Congress has passed will enable us to get ahead with the defense production job. It will be faithfully administered. There are two features, however, which give us particular concern.

We cannot yet be sure that the new law permits effective use of selective controls. As a result we might have to resort to general controls before they are really necessary. This may prove to be a serious defect in the law which will require correction.

Secondly, we do not have authority for adequate rent control. What we gain in holding down other cost-of-living prices must not be lost by failure to hold down the cost of shelter. The existing rent law is inadequate to meet the present situation and should be improved. Meanwhile, State and local governments should take the necessary steps to keep present rent controls in effect.

We will undoubtedly need further legislation as we go along later. Right now, there is work enough and responsibility enough for all of us.

Our goals are plain.

We must produce the goods that are needed.

We should pay for our defense as we go.

We must hold the cost of living steady, and keep down the cost of defense items.

All these things we can do if we work together, and share the sacrifices that must be made. We can and must submerge petty differences in the common task of preserving freedom in the world.

The enormous resources and vitality of our free society have been proved. In World War II, we astonished the world and astonished ourselves by our vast production. Since then, our rate of growth has exceeded our expectations.

Today, spurred by the world-wide menace of communist imperialism, we can surpass every previous record. I am certain that the American people, working together, can build the strength needed to establish peace in the world.

Every American must ask himself what he can do to help keep this Nation strong and free. We should ask God to give us the faith and the courage we need. We should ask Him for the help which has preserved our Nation to the past, and which is our great reliance in the years to come.

September 9, 1950

For release simultaneously with the release of the
President's radio address of Saturday, September 9, 1950.

3543

CHARLES C. ROSS
Secretary to the President

EXECUTIVE ORDER
10161

DELEGATING CERTAIN FUNCTIONS OF THE PRESIDENT
UNDER THE DEFENSE PRODUCTION ACT OF 1950

By virtue of the authority vested in us by the Constitution and statutes, including the Defense Production Act of 1950, and as President of the United States and Commander in Chief of the armed forces, it is hereby ordered as follows:

PART I. PRIORITIES AND ALLOCATIONS

Section 101. The functions conferred upon the President by Title I of the Defense Production Act of 1950 are hereby delegated as follows:

- (a) To the Secretary of the Interior with respect to petroleum, gas, solid fuels, and electric power.
- (b) To the Secretary of Agriculture with respect to food, and with respect to the domestic distribution of farm equipment and commercial fertilizer.
- (c) To that commissioner of the Interstate Commerce Commission who is responsible for the supervision of the Bureau of Service of the Commission, with respect to domestic transportation, storage, and port facilities, or the use thereof, but excluding air transport, commerce, interstate, and overseas shipping.
- (d) To the Secretary of Commerce with respect to all materials and facilities except as provided to passengers (e), (h), and (i) of this section 101.

Section 102. Each delegate referred to in section 101 of this Executive order shall, in connection with carrying out the priorities and allocations functions delegated to him by such section, (a) receive from appropriate agencies of the Government information relating to the direct and indirect military, other governmental, civilian, and foreign requirements for materials and facilities, (b) review and evaluate such requirements in the light of available materials and facilities, and (c) exercise his priorities and allocations powers in such manner as will in his judgment promote adequate supplies and their proper distribution.

Section 103. (a) Each delegate referred to in section 101 of this Executive order shall be a claimant before the other such delegate, respectively, in the case of materials and additional facilities deemed by the claimant delegate to be necessary for the provision of an adequate supply of the materials and facilities with respect to which delegation is made to the claimant delegate by the said section 101.

(b) Each delegate under section 102 of this Executive order may, with the approval of the Chairman of the National Security Resources Board, designate agencies and officers of the Government, additional to the claimants referred to in section 103(a) of this Executive order, to be claimants before such delegate with respect to stated materials and facilities.

PART II. ACQUISITIONING

Section 201. (a) Except as provided in section 201(b) of this Executive order, the functions conferred upon the President by Title II of the Defense Production Act of 1950 are hereby delegated to the officers to whom functions are delegated by section 104 of this Executive order, respectively, according to the designations of materials and facilities set forth in paragraphs (a), (b), (c), and (d) of the said section 101.

(b) The functions conferred upon the President by sections 201(b) and 201(c) of the Defense Production Act of 1950, exclusive of determinations with respect to the termination of the need for the national defense of any property acquisition under Title II of the said Act, are hereby delegated to the Administrator of General Services.

PART III. EXPANSION OF PRODUCTIVE CAPACITY AND SUPPLY

Section 301. The Department of the Army, the Department of the Navy, the Department of the Air Force, the Department of Commerce, the Department of the Interior, the Department of Agriculture, and the General Services Administration, in this Part referred to as guaranteeing agencies, and each delegate under section 101 of this Executive order shall develop and promote measures for the expansion of productive capacity and of production and supply of materials and facilities necessary for the national defense.

Section 302. (a) Each guaranteeing agency is hereby authorized, in accordance with section 304 of the Defense Production Act of 1950, subject to the provisions of this section, in order to expedite production and deliveries of services under Government contracts, and without regard to provisions of law relating to the making, performance, amendment, or modification of contracts, to guarantee in whole or in part any public or private financing institution (including any Federal Reserve Bank), by commitment to purchase, agreement to share losses, or otherwise, against loss of principal or interest on any loan, discount, or advance, or on any commitment in connection therewith, which may be made by such financing institution for the purpose of financing any contractor, subcontractor, or other person in connection with the performance, or in connection with or in contemplation of the termination, of any contract or other agreement covered by the guaranteeing agency to be necessary to expedite production and deliveries of services under Government contracts for the procurement of materials or the performance of services for the national defense.

(b) Each Federal Reserve Bank is hereby designated and authorized to act, on behalf of any guaranteeing agency, as fiscal agent of the United States in the making of such contracts of guarantee and in otherwise carrying out the purposes of the said section 301, in respect of private financing institutions.

(c) All actions and operations of Federal Reserve Banks, under authority of or pursuant to the said section 301 of the Defense Production Act of 1950, shall be subject to the supervision of the Board of Governors of the Federal Reserve System. Said Board is hereby authorized, after consultation with the heads of the guaranteeing agencies, (1) to prescribe such regulations governing the actions and operations of fiscal agents hereunder as it may deem necessary, (2) to prescribe, either specifically or by maximum limits or otherwise, rates of interest, guarantee and commitment fees, and other charges which may be made in connection with loans, discounts, advances, or commitments guaranteed by the guaranteeing agencies through such fiscal agents, and (3) to prescribe regulations governing the forms and procedures (which shall be uniform to the extent practicable) to be utilized in connection with such guarantees.

Section 103. Ahead each amount of funds as the President shall have made available, and upon the certificate by the Secretary of the Interior in respect of metals and minerals (except as to paragraph (c) of this section), or by the Secretary of Agriculture in respect of lumber, or by the appropriate delegate referred to in section 102 of this Executive Order in respect of other materials and facilities, or by such other officer or officers of the Government as the President may designate, as to the necessity for loans, purchases, or commitments, as the same may be.

(a) The Reconstruction Finance Corporation is hereby authorized and directed to make loans (including participations in, or guarantees of, loans) to private business enterprises (including research corporations not organized for profit) for the expansion of capacity, the development of technological processes, and the production of essential materials, including the exploration, development, and mining of strategic and critical metals and minerals, as authorized by and subject to section 102 of the Defense Production Act of 1950.

(b) The Administrator of General Services is hereby authorized and directed to purchase and make commitments to purchase metals, minerals, and other raw materials, including liquid fuels, for Government use or resale, as authorized by and subject to section 102 of the said Act: Provided, That the Secretary of Agriculture is also authorized to exercise the functions under section 102 with respect to agricultural commodities.

(c) The Secretary of the Interior is hereby authorized and directed to encourage the exploration, development, and mining of critical and strategic minerals and metals, as authorized by and subject to the provisions of the said section 102.

Section 104. The functions conferred upon the President by section 103(d) of the Defense Production Act of 1950 with respect to the installation of additional equipment, facilities, processes, or improvements to plants, factories, and other industrial facilities owned by the United States Government, and with respect to the installation of Government-owned equipment in plants, factories, and other industrial facilities owned by private persons, are hereby delegated to the Administrator of General Services.

PART IV. ECONOMIC STABILIZATION

Section 101. (a) There is hereby created a new and independent Agency to be known as the Economic Stabilization Agency, hereafter in this Part referred to as the Agency. There shall be at the head of the Agency an Economic Stabilization Administrator, hereafter in this Part referred to as the Administrator, and shall be appointed by the President by and with the advice and consent of the Senate.

(b) The Administrator shall seek to preserve and maintain the stabilization of the economy. To this end he shall:

(1) Plan and develop both short and long-range price and wage stabilization policies and measures and create the necessary organization for their administration.

(2) Inform the public, agriculture, industry and labor concerning the need for stabilization and encourage and promote voluntary action to this end.

(3) Consult and advise with the Government officials responsible for procurement, production, transport, and rent control, and for fiscal, credit and monetary policies, concerning measures within their jurisdiction which will assist stabilization.

(b) Establish price ceilings and stabilize wages and salaries where necessary.

(c) The functions conferred upon the President by Title IV of the Defense Production Act of 1950 are hereby delegated to the Administrator.

Section 602. There shall be in the Agency a Director of Price Stabilization, who shall be appointed by the President by and with the advice and consent of the Senate, and who shall perform such functions with respect to price stabilization as may be determined by the Administrator.

Section 603. (a) There shall be in the Agency a Wage Stabilization Board composed of nine members who shall be appointed by the President. Three of the members so appointed shall be representative of the public, three shall be representative of labor, and three shall be representative of business and industry. One of the members representing the public, to be designated by the President, shall be chairman of the Board.

(b) The Wage Stabilization Board shall make recommendations to the Administrator regarding the planning and development of wage stabilization policies and shall perform such further functions with respect to wage stabilization as may be determined by the Administrator after consultation with the Board.

Section 604. The Administrator is hereby designated to initiate such consultations and conferences with management, labor, and representatives of the Government and public as he deems appropriate and to advise the President of such action as may be called for in carrying out the provisions of Title V of the Defense Production Act of 1950.

PART V. REAL ESTATE CREDIT

Section 501. (a) Subject to the provisions of section 501(b) of this Executive order, the functions conferred upon the President by section 602 of the Defense Production Act of 1950 are hereby delegated to the Board of Governors of the Federal Reserve System.

(b) The said Board shall obtain the concurrence of the Housing and Home Finance Administrator with respect to provisions relating to real estate construction credit involving residential property before prescribing, changing, or suspending any real estate construction credit regulations pursuant to the authority of section 602 of the Defense Production Act of 1950.

Section 502. (a) The functions conferred upon the President by section 605 of the Defense Production Act of 1950, to the extent that such functions relate to loans on real estate involving residential property, are hereby delegated to the Housing and Home Finance Administrator.

(b) In carrying out the functions delegated by section 502(a) of this Executive order, and under the authority so delegated or under authority vested in him by any applicable law, the Administrator shall from time to time issue such regulations and take such other action as may be necessary to insure (1) that the restrictions imposed on real estate construction credit by the provisions of the regulations issued from time to time by the Board of Governors of the Federal Reserve System (with the concurrence of the Housing and Home Finance Administrator in the provisions of such regulations relating to credit involving residential property) under the authority delegated by section 501 of this Executive order shall

be applicable to the fullest extent practicable with respect to loans on real estate (of the types referred to in section 605 of the Defense Production Act of 1950) involving residential property, and (2) that the relative credit preferences accorded to veterans under existing law are preserved in accordance with the provisions of section 605 of the Defense Production Act of 1950.

PART VI. LABOR SUPPLY

Section 401. The Secretary of Labor shall utilize the functions vested in him so as to meet most effectively the labor needs of defense industry and essential civilian employment, and to this end shall:

(a) Assemble and analyze information on labor requirements for defense and other activities and on the supply of workers.

(b) Consult with and advise each delegate referred to in section 101 of this Executive order and each official exercising powers or less functions under Part III of this Executive order concerning (1) the effect of contemplated actions on labor supply and utilization, (2) the relation of labor supply to materials and facilities requirements, (3) such other matters as will assist in making the exercise of priority and allocations functions consistent with effective utilization and distribution of labor.

(c) Formulate plans, programs, and policies for meeting defense and essential civilian labor requirements.

(d) Utilize the public employment service system, and enlist the cooperation and assistance of management and labor to carry out these plans and programs and accomplish their objectives.

(e) Determine the occupations critical to meeting the labor requirements of defense and essential civilian activities and with the Secretary of Defense, the Director of Selective Service, and such other persons as the President may designate develop policies applicable to the induction and retention of personnel for the armed services, except for civilian personnel in the reserves.

PART VII. VOLUNTARY AGREEMENTS

Section 701. (a) The functions conferred upon the President by section 708(a) of the Defense Production Act of 1950 are hereby delegated as follows:

(1) To the Secretaries of the Interior, Agriculture, and Commerce, and to the Commissioner of the Interstate Commerce Commission referred to in section 101 of this Executive order, respectively, according to the designations of materials and facilities set forth in paragraphs (a), (b), (c), and (d) of such section 101.

(2) To the Board of Governors of the Federal Reserve System with respect to financing.

(3) To the Economic Stabilization Administrator with respect to stabilization.

(b) The functions conferred upon the President by section 708(b) of the Defense Production Act of 1950 are hereby delegated as follows:

(1) To the Secretary of Commerce in respect of Title I of the Defense Production Act of 1950.

(2) In other respects to the delegates referred to in section 701(a) of this Executive order, respectively, according to the provisions of paragraphs (1), (2), and (3) thereof.

(c) The delegation of authority made by section 701(b) of this Executive order is subject to the conditions (1) that each delegate concerned shall consult with the Attorney General and the Chairman of the Federal Trade Commission not less than ten days before making any request or finding under section 705(b) of the Defense Production Act of 1950, (2) that each delegate concerned shall obtain the approval of the Attorney General to any request under said section 705(b) before making the request, and (3) that the authority delegated may not be redelegated.

PART VIII. COORDINATION

Section 801. In the interest of consistent and coordinated administration of functions delegated by this Executive order, each officer to whom functions are delegated shall be guided by such policies and program directives as the President may from time to time prescribe.

Section 802. The Chairman of the National Security Resources Board shall, in the interest of assisting the President to coordinate the functions delegated by this Executive order, and on behalf of the President:

(a) Receive interagency issues which otherwise would require the attention of the President.

(b) Prescribe policy and program directives having the approval of the President.

(c) Obtain reports and information on the status of work in the various agencies designated in this Executive order.

(d) Take such measures to obtain coordination of related policies and activities among the various agencies as he may determine.

(e) Advise the President on the progress of the defense production program and make such recommendations as he may deem proper.

Section 803. The Council of Economic Advisors shall assist its continuing studies of employment, production and purchasing power needs and objectives so as to furnish guides to the agencies under this Executive order in promoting balance between defense and civilian needs and in avoiding inflation in a stable and growing economy. In the performance of this function, the Council shall obtain necessary information from the agencies concerned and engage in regular consultation with them.

PART IX. GENERAL PROVISIONS

Section 901. As used in this Executive order:

(a) The term "functions" includes powers, duties, authority, responsibilities, and discretion.

(b) The term "materials" includes raw materials, articles, commodities, products, supplies, components, technical information, and processes, but excludes fissionable materials as defined in the Atomic Energy Act of 1946.

(c) The term "petroleum" shall mean crude oil and synthetic liquid fuel, their products, and associated hydrocarbons, including pipelines for the movement thereof.

(e) The term "gas" shall mean natural gas and manufactured gas, including pipelines for the movement thereof.

(f) The term "solid fuels" shall mean all forms of anthracite, bituminous, sub-bituminous, and lignitic coals, and coke and its byproducts.

(g) The term "electric power" shall mean all forms of electric power and energy, including the generation, transmission, distribution, and utilization thereof.

(h) The term "metals and minerals" shall mean all raw materials of mineral origin, including their refining and processing but excluding their fabrication.

(i) The term "food" shall mean all commodities and products, simple, mixed, or compound, or components to such commodities or products, that are capable of being eaten or drunk by either human beings or animals, irrespective of other uses to which such commodities or products may be put, at all stages of processing from the raw commodity to the products thereof in vendible form for immediate human or animal consumption. For the purposes of this Executive order the term "food" shall also include all starches, sugars, vegetables and animal fats and oils, cotton, tobacco, wool, mohair, hemp, flax fiber, and naval stores, but shall not include any such material after it loses its identity as an agricultural commodity or agricultural product.

(j) The term "farm equipment" shall mean equipment manufactured for use on farms in connection with the production or processing of food.

(k) The term "fertilizer" shall mean fertilizer in form for distribution to the users thereof.

(l) The term "domestic transportation, storage, and port facilities" shall include locomotives, cars, motor vehicles, watercraft used in inland waterways, in harbors, and on the Great Lakes, and other vehicles, vessels, and all instrumentalities of shipment or carriage, irrespective of ownership, and all services in or in connection with the carriage of persons or property in interstate, intrastate, or foreign commerce within the United States, except movement of petroleum and gas by pipeline; and warehouses, piers, docks, wharves, loading and unloading equipment, and all other structures and facilities used in connection with the transshipment of persons and property between domestic carriers and carriers engaged in maritime, interstate, and overseas transportation.

Section 302. (a) Except as otherwise provided in section 302(a) of this Executive order, each officer or agency having functions under the Defense Production Act of 1950 delegated or assigned thereto by this Executive order may exercise and perform, with respect to such functions, the functions vested in the President by Title VII of the said Act.

(b) The functions which may be exercised and performed pursuant to the authority of section 302(a) of this Executive order shall include, but not by way of limitation, (1) except as otherwise provided in section 302(a) of this Executive order, and except as otherwise required by section 302 of the Defense Production Act of 1950, the power to redelegate functions, and to authorize the successive redelegation of functions, to agencies, officers, and employees of the Government, (2) the power to create an agency or agencies, under the jurisdiction of the officer concerned, to administer functions delegated by this Executive order, and (3) in respect of Parts I, II, IV, and V of this Executive order, the power

of subpoena: Provided, That the subpoena power shall be utilized only after the scope and purpose of the investigation, inspection, or inquiry to which the subpoena relates have been defined either by the appropriate officer referred to in section 902(a) of this Executive order or by such other person or persons as he shall designate.

(c) There are excluded from the functions delegated by section 902(a) of this Executive order (1) the functions delegated by Part VII of this Executive order, (2) the functions of the President under sections 703(b) and 710(a) of the Defense Production Act of 1950, (3) the functions of the President with respect to regulations under sections 720(h), 710(a), and 710(d) of the said Act, and (4) the functions of the President with respect to fixing compensation under section 703(a) of the said Act.

(d) The functions conferred upon the President by section 710(a) of the Defense Production Act of 1950 are hereby delegated as follows:

(1) Each officer or agency having functions under the said Act delegated or assigned to such officer or agency by this Executive order shall submit to the Chairman of the United States Civil Service Commission each request for classification of positions in grades 16, 17, and 18 of the General Schedule as may be necessary, and shall accompany any such request with a certificate stating that the duties of the position are essential and appropriate for the administration of the said Act.

(2) Each requested position shall be placed in the appropriate grade of the General Schedule in accordance with the standards and procedures of the Classification Act of 1949. No person shall be employed in a position of grade 16, 17, or 18 under authority of section 710(a) of the Defense Production Act of 1950 except pursuant to action of the Chairman of the United States Civil Service Commission of the classification of the position.

Section 903. All agencies of the Government (including departments, establishments, and corporations) shall furnish to each officer to whom functions are delegated or assigned by this Executive order such information relating to defense production or procurement, or otherwise relating to the functions delegated or assigned to such officer by this Executive order, as he may deem necessary.

Section 904. Each delegate referred to in section 201 of this Executive order shall, when and if he shall deem it necessary and appropriate, appoint a committee composed of representatives of such agencies of the Government as he may determine. Any committee so appointed shall advise and consult with the delegate concerned, as he may request, in connection with the carrying out of the functions delegated to him by sections 201, 201, and 302 of this Executive order, and shall advise the delegate concerned regarding requirements of materials and facilities.

HARRY S. TRUMAN

SEPTEMBER 9, 1950

For release simultaneously with the release of the President's radio address of Saturday, September 9, 1950.

CHARLES C. BOSS
Secretary to the President

EXECUTIVE ORDER

10060

PROVIDING FOR THE PRESERVATION OF RECORDS FOR
CERTAIN PURPOSES OF THE DEFENSE PRODUCTION ACT
OF 1950

By virtue of the authority vested in me by the Defense Production Act of 1950, and at President of the United States, and in order to provide an appropriate basis for action under Title IV of the Defense Production Act of 1950, it is hereby ordered:

1. Every person who sold or delivered goods or services, or offered them for sale or delivery, in the course of trade or business during the period from May 24, 1950, to June 24, 1950, inclusive, shall preserve all his records for such period relating to:

- (a) The prices received or asked for such goods or services; and
- (b) The labor, material, requisition, and other costs incurred in connection with such goods or services.

2. This order does not apply to:

- (a) Records of an individual relating to wages or salary received by such individual;
- (b) Records relating to sales of agricultural commodities by the individual producer thereof; and
- (c) Records relating to the following, which are exempt from the provisions of section 102(a) of the Defense Production Act of 1950: (i) prices or rentals for real property; (ii) estates so free charged for professional services; (iii) prices or rentals for (a) materials furnished for publication by any press association or feature service, or (b) books, magazines, motion pictures, periodicals, or newspapers, other than on waste or scrap; or estates charged by any person in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio-broadcasting or television station, or motion-picture or other theater enterprise, or outdoor advertising facilities; (iv) rates charged by any person in the business of sailing or underwriting insurance; (v) rates charged by any common carrier or other public utility; and (vi) margin requirements on any commodity exchange.

3. For the purposes of this order:

- (a) The term "person" includes an individual, corporation, partnership, association, or any other organized group of persons, or legal successor or representative of the foregoing, and includes the United States or any agency thereof, or any other government, or any of its political subdivisions, or any agency of any of the foregoing.

- 2 -

(b) The term "prices" includes rentals, commissions, margins, rates, fees, charges, and allowances paid or received.

(c) The term "goods" has the same meaning as the term "materials" in the Defense Production Act of 1950 and includes raw materials, articles, commodities, products, supplies, components, technical information, and processor.

HARRY S. TRULAN

THE WHITE HOUSE,

September 9, 1950.

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DEC 15, 1950

CAUTION: The following address of the President MUST be held in CONFIDENCE until released.

NOTE: Release to editions of all newspapers appearing on the street NOT EARLIER THAN 10:30 p.m., Eastern Standard Time, Friday, December 15, 1950.

Release to radio announcers and news broadcasters upon delivery.

PLEASE USE CARE TO AVOID FURTHER PUBLICATION.

have a little

I am talking to you tonight about what our country is up against, and what we are going to do about it.

Our homes, our babies, all the things we believe in, are in great danger. This danger has been created by the rulers of the Soviet Union.

For five years we have been working for peace and justice among nations. We have helped to bring the free nations of the world together in a great movement to establish a lasting peace. Against this movement for peace, the rulers of the Soviet Union have been waging a relentless attack. They have tried to undermine or overwhelm the free nations, one by one. They have used threats and treachery and violence.

In June, the forces of communist imperialism broke out into open warfare in Korea. The United Nations moved to put down this act of aggression, and, by October, had all but succeeded.

Then, in November, the communists threw their Chinese armies into the battle against the free nations.

By this act, they have shown that they are now willing to push the world to the brink of a general war to get what they want. This is the real meaning of the events that have been taking place in Korea.

That is why we are in such grave danger.

The future of civilization depends on what we do — on what we do now, and in the months ahead.

We have the strength and we have the courage to overcome the danger that threatens our country. We must act calmly, wisely,

23

Here are the things we will do:

First, we will continue to uphold, and if necessary to defend with arms, the principles of the United Nations -- the principles of freedom and justice.

Second, we will continue to work with the other free nations to strengthen our combined defenses.

Third, we will build up our own Army, Navy and Air Force, and make more weapons for ourselves and our allies.

Fourth, we will expand our economy and keep it on an even keel.

Now, I want to talk to you about each one of these things.

First: We will continue to uphold the principles of the United Nations.

We have no aggressive purpose. We will not use our strength for aggression. We are a tolerant and a restrained people, deeply aware of our moral responsibilities and deeply aware of the horrors of war.

We believe in settling differences by peaceful means, and we have made honest efforts to bring about disarmament. We will continue these efforts, but we cannot yield to aggression.

Though the present situation is highly dangerous, we do not believe that war is inevitable. There is no conflict between the legitimate interests of the free world and those of the Soviet Union that cannot be settled by peaceful means. We will continue to take every honorable step we can to avoid general war.

But we will not engage in appeasement.

The world learned from Munich that security cannot be bought by appeasement.

We are ready, as we have always been, to take part in efforts to reach a peaceful solution of the conflict in Korea. In fact, our representatives at Lake Success are taking part in just such efforts today.

We do not yet know whether the Chinese communists are

willing to enter into honest negotiations to settle the conflict in Korea. If negotiations are possible, we shall strive for a settlement that will make Korea a united, independent and democratic country. That is what the Korean people want, and that is what the United Nations has decided they are entitled to have.

Meanwhile, our troops in Korea are continuing to do their best to uphold the United Nations.

General Collins, Chief of Staff of the Army, who returned a few days ago from Korea, reported that our military forces there are well organized and well equipped. I am confident that our military forces, together with their comrades in arms from many nations, will continue to give a good account of themselves. They know they are fighting for the freedom and security of their own homes and families.

The danger we face exists not only in Korea. Therefore, the second thing we are going to do is to increase our efforts, with other free nations, to build up defenses against aggression in other parts of the world. In dealing with the Korean crisis, we are not going to ignore the danger of aggression elsewhere.

There is actual warfare in the Far East, but Europe and the rest of the world are also in great danger. The same menace -- the menace of communist aggression -- threatens Europe as well as Asia.

To combat this menace, other free nations need our help, and we need theirs. We must work with a sense of real partnership and common purpose with these nations. We must stand firm with our allies, who have shown their courage and their love of freedom.

The United States, Canada, and the ten nations of Western Europe who are united with us in the North Atlantic Treaty, have already begun to create combined military defenses. Secretary of State Acheson is flying to Europe on Sunday. He and representatives of these nations will complete the arrangements for setting up a joint army, navy, and air force to defend Europe. The defense of Europe is of the utmost importance to the security of the United States.

We will continue to provide assistance to European countries, and to other free countries in other parts of the world, because their defense is also important to our own defense.

The communist rulers are trying their hardest to split the free nations apart. If they should succeed, they would do staggering damage to the cause of freedom. Unity with our allies is now, and must continue to be, the foundation of our effort.

Working together, the free nations can create military forces strong enough to convince the communist rulers that they cannot gain by aggression.

Working together, the free nations can present the common front, backed by strength, which is necessary if we are to be in a position to negotiate successfully with the Kremlin for peaceful settlements.

Working together, we hope we can prevent another world war.

In order to succeed, we in our country have a big job ahead of us.

That is why the third thing we must do to meet the present danger is to step up our own defense program.

We are expanding our armed forces very rapidly.

We are speeding up the production of military equipment for our own armed forces and for our allies.

We have a large navy. We have a powerful air force. We have units around which a strong army can be built. But answered against the danger that confronts us, our forces are not adequate.

On June 25, when the communists invaded the Republic of Korea, we had less than one and a half million men and women in our Army, Navy, and Air Force. Today, our military strength has reached about two and a half million. Our next step is to increase the number of men and women on active duty to nearly three and a half million.

I have directed the armed forces to accomplish this as soon as possible. The Army and the Navy will be able to do this within a few months. It will take the Air Force somewhat longer. It

addition to these men and women at active duty, we have about two million more in the National Guard and the reserves who are subject to call.

As part of the process of achieving a speedier build-up, the number of men to be called up under the selective service system has been raised, and two additional National Guard divisions are being ordered to active duty in January.

At the same time, we will have a very rapid speed-up in the production of military equipment. Within one year, we will be turning out planes at five times the present rate of production. Within one year, combat vehicles will be coming off the production line at four times today's rate. Within one year, the rate of production of electronic equipment for defense will have multiplied four and a half times.

There will and be weapons for our own armed forces alone. They will constitute an arsenal for the defense of freedom. Out of this arsenal, we will be able to send weapons to other free nations, to add to what they can produce for their own defenses, and in this same arsenal, we will provide a large reserve of weapons to equip additional units in our own armed forces whenever that may be necessary.

Furthermore, while we are working toward these immediate goals in manpower and equipment, we will also expand our training and production facilities so as to make possible a very rapid expansion to full mobilization if that becomes necessary.

We can handle this production program, but it will require hard work.

It will require us to make a lot of changes in our ordinary ways of doing things.

And this brings us to our fourth big job. In order to build the military strength we need, we will have to expand our production greatly. We must also prevent inflation, and stabilize the cost of living.

If we are to make the weapons we need soon enough, we shall have to cut back on many lines of civilian production. But we cannot build up and maintain our armed might, and the industrial

strength underlying it, simply by cutting back civilian production. We must produce more -- more steel, more copper, more aluminum, more electric power, more cotton, more of many other things.

We must set very high targets, and be willing to make an all-out effort to reach them. Workers will be called upon to work more hours. More women, and more young people and older workers will be needed in our plants and factories. Farmers will have to set higher production goals. Businessmen will have to put all their know-how to work to increase production.

A defense effort of the size we must now undertake will inevitably push prices up, unless we take positive action to hold them down.

We have already taken a number of steps. We have put restrictions on credit buying. We have increased taxes. I hope that the Congress will enact an excess profits tax at this session. Still further taxes will be needed. We cannot escape paying the cost of our military program. The more we pay by taxes now, the better we can hold prices down. I have directed that recommendations be prepared, for early submission to the Congress, to put the increased cost of defense as nearly as possible on a "pay-as-you-go" basis.

I have also instructed the Director of the Budget to reduce the non-military expenditures in the new Federal Budget to the minimum required to give effective support to the defense effort.

The measures I have just mentioned -- credit control, higher taxes and reduced non-military expenditures -- are essential. They are our primary defense against inflation, because they strike at the sources of inflation. But as we move into a greatly increased defense effort, we must also take direct measures to keep prices in line.

The Government is starting at once to increase price controls upon a number of materials and products. These will be mainly items important to defense production and the cost of living.

In those fields where price control is imposed, the Government will also undertake to stabilize wages, as the law requires.

In the immediate future, a series of control orders will be announced by the Economic Stabilization Agency.

In addition, the Agency will announce fair standards for prices and wages in those cases where mandatory controls are not imposed. I ask everyone concerned not to set prices and wages higher than these standards will allow. If these standards are violated, it will speed-up the imposition of mandatory controls, including rail-backs where needed.

As we move ahead with this mobilization effort, there will be increased need for central control over the many Government activities in this field. Accordingly, I am establishing an Office of Defense Mobilization. I am appointing Mr. Charles E. Wilson to be Director of this Office. Mr. Wilson is resigning as president of the General Electric Company to take this job. In his new position, he will be responsible for directing all the mobilization activities of the Government, including production, procurement, manpower, transportation, and economic stabilization.

The Government is also moving forward with preparations for civil defense. I have appointed former Governor Millard Caldwell of Florida to be Federal Civilian Defense Administrator.

In addition, I have recommended legislation to the Congress which will authorize the Federal Government to help States and cities in their civil defense preparations. I hope the Congress will enact this legislation soon, so that the civil defense work which has already started can be greatly speeded up.

These are our plans for making our country stronger.

As we go forward, we must keep clearly in mind the meaning of what we are doing.

Our freedom is in danger.

Sometimes we may forget just what freedom means to us. It is as close to us, as important to us, as the air we breathe. Freedom is in our homes, in our schools, in our churches. It is in our work and our government and the right to vote as we please. These are the things that must be taken from us if communism should win.

Because our freedom is in danger we are united in its defense. Let no aggressor think we are divided. Our great strength is the loyalty and fellowship of a free people. We pull together when we are in trouble, and we do it by our own choice, not out of fear, but out of love for the great values of our American life, that we all have a share in.

In this great defense effort that we are undertaking, things may not always go as smoothly as we would wish, either in Washington or in your home town. But remember that we are building our defenses in the democratic way, and not by the iron rule of dictatorship.

Those of us who work in the Government will do our best. But the outcome depends, as it has always depended, on the spirit and energy of our people.

The job of building a stronger America must be done on our farms, in our factories, and in our homes. It must be done by every one of us, wherever we are, and whatever our jobs may be.

Our fighting men in Korea have set an example that should inspire us all. Attacked by superior numbers, and in the bitterest of winter weather, they were resolute, steady and determined. Their steadfast courage in the face of reverses is one of the most heroic stories in our country's history.

In the days ahead, each of us should measure his own efforts, his own sacrifices, by the standard of our heroic men in Korea.

Many of you who are young people will serve in the armed forces of your country. Nothing you will do later in life will be of greater benefit to your homes, your communities, or your friends.

Many others of you will have to work longer hours in factories or mines or mills. Think of this not as longer hours, but as more planes, more tanks, more ships, more of all the things that are needed for the defense of your homes and your way of life.

All of us will have to pay more taxes and do without things we like. Think of this, not as a sacrifice, but as an opportunity, an opportunity to defend the best kind of life that men have ever

As I speak to you tonight, aggression has won a military advantage in Korea. We should not try to hide or explain away that fact.

By the same token, we should draw renewed courage and faith from the response of the free world to that aggression. What the free nations have done in Korea is right, and men all over the world know that it is right. Whatever temporary setbacks there may be, the right will prevail in the end.

Because of all these things I have been talking about with you, I will issue a proclamation tomorrow morning declaring that a national emergency exists. This will call upon every citizen to put aside his personal interests for the good of our country. All of our energies must be devoted to the tasks ahead of us.

No nation has ever had a greater responsibility than ours has at this moment. We must remember that we are the leaders of the free world. We must understand that we cannot achieve peace by ourselves, but only by cooperating with other free nations and with the men and women who love freedom everywhere.

We must remember that our goal is not war but peace. Throughout the world our aim stands for international justice and for a world based on the principles of law and order. We must keep it that way. We are willing to negotiate differences, but we will not yield to aggression. Appeasement of evil is not the road to peace.

The American people have always met danger with courage and determination. I am confident we will do that now, and, with God's help, we shall keep our freedom.

December 17, 1950

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The President issued the following statement today through the White House:

"Our Secretary of State, Dean Acheson, is flying today to represent this country at the council meetings of the North Atlantic Treaty Powers. He is leaving at a time when this country and the other nations of the Free World stand in their greatest peril.

"This is going to be a very important meeting. Out of it will come arrangements for a friendly integrated European Defense System. Such a system will provide the basis for a strong and effective Supreme Command under distinguished leadership. This will be one more step in our broad plan to strengthen the free nations of the world for peace.

"Our Foreign Policy must be a continuing and consistent policy. We shall continue here and in other areas of the world to build our strength and the strength of our allies to maintain peace in the world.

"This meeting in Brussels will show that, contrary to communist hopes, the peoples of the North Atlantic Community are determined to remain united.

"Secretary Acheson goes to this meeting with my complete confidence."

* * *

HOLD FOR RELEASE

HOLD FOR RELEASE

HOLD FOR RELEASE

December 18, 1950

CONFIDENTIAL: The following exchange of messages between the President and the Secretary of State MUST BE HELD IN STRICT CONFIDENCE until released.

NOTE: Release is automatic at 6:30 a.m., Eastern Standard Time, tomorrow, THURSDAY, December 19, 1950.

PLEASE USE CARE TO AVOID PREMATURE PUBLICATION ON RADIO ANNOUNCEMENT.

JOSEPH SMOYD
Secretary to the President

The following telegram was received by the President from the Secretary of State:

"The North Atlantic Council today completed arrangements for the establishment of an integrated European defense force. This plan provides that the Supreme Allied Commander, Europe be a U.S. Officer. The Council has asked me to transmit to you its request that you designate a U. S. Officer to take this position. At the time this action was taken the members of the Council expressed their earnest hope that you will find it possible to designate General of the Army Dwight D. Eisenhower for the position of Supreme Allied Commander, Europe."

The President sent the following reply to the Secretary of State:

"Pursuant to the request of the North Atlantic Council that I designate a U. S. Officer to take the position of Supreme Allied Commander, Europe, I have designated General of the Army Dwight D. Eisenhower. In taking this action I wish to express both my gratification and agreement with the view of the North Atlantic Council that General Eisenhower's experience and talents make him uniquely qualified to assure the important responsibilities of this position."

DECEMBER 19, 1950 24.

CONFIDENTIAL: The following letter from the President is General Eisenhower's FOR RELEASE IN ALL REGULAR EDITIONS OF MORNING NEWSPAPERS of Wednesday, December 20, 1950.

NOTE: Radio release is 7:00 p.m., est., today, December 19, 1950.

JOSEPH SMOOT
Secretary to the President

The President today sent the following letter to General of the Army Dwight D. Eisenhower:

*Dear General Eisenhower:

The North Atlantic Treaty Nations have agreed on the defense organization for Europe and at their request I have designated you as Supreme Allied Commander, Europe. I view their request as a pledge that their support of your efforts will be complete and unequivocal.

I understand that the Standing Group of the North Atlantic Treaty Organization will shortly issue a directive to you concerning your responsibility and authority as the Supreme Allied Commander, Europe.

You are hereby assigned operational command, to the extent necessary for the accomplishment of your mission, of the U. S. Army Forces, Europe; U. S. Air Forces, Europe; and the U. S. Naval Forces, Eastern Atlantic and Mediterranean.

Subject to overriding requirements of the Supreme Allied Commander, Europe, the missions, peacetime employment, training and administration of these forces will continue to be handled through command channels heretofore existing.

You are authorized to have officers and enlisted personnel of the U. S. Armed Forces, as well as civilian employees of the Departments of the Army, Navy and Air Force, for your Staff in such numbers and grades as you consider necessary.

I am sending a copy of this letter to the Secretary of State for his guidance and a copy to the Secretary of Defense for his guidance and necessary action by the Department of Defense.

You are undertaking a tremendous responsibility. As President and Commander-in-Chief of the Armed Forces of the United States, I know that our entire country is wholeheartedly behind you. Indeed, you carry with you the prayers of all free-living peoples. I send you my warmest personal good wishes for success in the great task which awaits you.

Very sincerely yours,

HARRY S. TRUMAN

OCTOBER 21, 1950

24

STATEMENT BY THE PRESIDENT

The Secretary of State this morning gave us a full report of his meeting in Brussels with the Foreign Ministers and Defense Ministers of the North Atlantic Treaty countries.

I was greatly encouraged to hear from the Secretary of the anxious way in which the representatives of the North Atlantic countries went about the job of bringing to life the military and economic agencies of the North Atlantic community.

The Secretary reported that the appointment of General Eisenhower as Supreme Allied Commander, Europe, greatly heartened and inspired the European nations who see in it new proof of the firm intention of the free nations to stand together.

Within the next few weeks the soldiers in Europe of the members of the North Atlantic community will be training together. Many of our hopes have now become facts with all that this means for the defense of the free world.

The Secretary also reported on his informal conversations with French Foreign Minister Schuman and British Foreign Minister Bevin. These conversations resulted in full agreement on how the three governments, pursuant to the North Atlantic Council's decision, would take up with the German government the problem of German contributions to the defense of Western Europe.

I am in full agreement with the Secretary that the spirit shown by the countries of Western Europe has justified our confidence that the free states of Europe can business about setting up our common defense system. The success of this meeting will be a matter of great satisfaction to all the American people.

Let there be no mistak about it -- the unity of the nations of Western Europe and of the North Atlantic area is vital to their security and to ours.

JANUARY 25, 1951

STATEMENT BY THE PRESIDENT

General Eisenhower will return Wednesday from his tour of the countries belonging to the North Atlantic Treaty Organization. That same day he will report to me, to a special meeting of the Cabinet and to the standing group of NATO. On Thursday and Friday he will make further reports to the Congress. His radio report to the Nation is scheduled for Friday night.

General Eisenhower's Schedule

Wednesday, January 31st

- 12.30 P.M. Arrives at NATS Terminal, Washington National Airport. Will be met by the President and other officials.
- 1.00 P.M. Lunch alone with the President at Blair House.
- 2.30 P.M. Reports to special Cabinet meeting at the White House.
- 4.30 P.M. Reports to standing group of NATO at Pentagon.

Thursday, February 1st

- 10.30 A.M. The Honorable John W. McCawack, Majority Leader of the House, has announced that General Eisenhower would appear before Members of both Houses of Congress at Coolidge Auditorium in the Library of Congress.

It is my understanding that arrangements have been made for General Eisenhower to appear before the Foreign Relations and Armed Services Committee of the Senate and the Foreign Affairs and Armed Services Committee of the House. Details of these arrangements will be disclosed by the Chairman of the Committee.

Friday, February 2nd

- 10.30 P.M. Radio report to the Nation (15 minutes)

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APRIL 3, 1951

CONFIDENTIAL: The following Statement is the President on the occasion of the Second Anniversary of the signing of the North Atlantic Treaty. MUST BE HELD IN STRICT CONFIDENCE, and as speech, synopsis, or information may be published or broadcast until 7:00 p.m., E.S.T., April 3, 1951.

JOSEPH S. SHOOT

Secretary to the President

STATEMENT BY THE PRESIDENT

On the second birthday of the North Atlantic Treaty it is appropriate that we take stock of our progress.

The most encouraging fact which stands out today is that Europe is stronger and in a better position to defend itself than it was a year ago.

This stems from the determination of the free peoples of Europe to help themselves. Their determination as well as their strength has been increased by the assistance which we have been able to give them. Even more important, our joint efforts have acquired greater effectiveness through the establishment of General Eisenhower's unified command. For the first time in history there exists in peace an integrated international force whose object is to maintain peace through strength. Six years ago General Eisenhower led such a force to victory, but we fervently hope that our present course of action will succeed and maintain peace without war.

The armed forces of the North Atlantic Treaty countries will grow more rapidly in the future as stepped-up training and production programs begin to bear fruit. An enormous military production program is under way in the United States, and our Allies, despite limited facilities and resources, have already more than doubled their rate of military production.

Just as important as the factors which we are building together is the spirit of cooperation and joint effort which has been greatly strengthened. This is a solid achievement which will bring rewards of happiness and prosperity to our peoples long after the passing of the present emergency.

The events of the past two years have proved beyond question the wisdom of the course we adopted in signing the North Atlantic Treaty. Developments since then have made it more clear than ever before that no nation can find safety behind its own frontiers — that the only security lies in collective security.

While we have reason to take pride in our accomplishments, we cannot forget that the road ahead is still long and hard. The people of the United States and the people of Europe must accept heavy burdens, with both determination and patience. I am confident that we will march forward together, with speed and vigor. Above all, I feel certain that we will not relax the great effort which is now under way.

S. RES. 99

IN THE SENATE OF THE UNITED STATES

MARCH 14 (legislative day, MARCH 13), 1965

Mr. COWLEY (for himself and Mr. RUSSELL), from the Committee on Foreign Relations and Armed Services, jointly reported the following resolution; which was ordered to be placed on the calendar

/ AMEND 4 (legislative day, MARCH 30), 1965

Considered, amended, and agreed to

RESOLUTION

Whereas the foreign policy and military strength of the United States are dedicated to the protection of our national security, the preservation of the liberties of the American people, and the maintenance of world peace; and

Whereas the North Atlantic Treaty, approved by the Senate by a vote of 82-13, is a major and historic act designed to build up the collective strength of the free peoples of the earth to resist aggression, and to preserve world peace, and

Whereas the security of the United States and its citizens is involved with the security of its partners under the North Atlantic Treaty, and the commitments of that treaty are therefore an essential part of the foreign policy of the United States; and

Whereas article 3 of the North Atlantic Treaty pledges that the United States and the other parties thereto "separately and jointly, by means of continuous and effective self-help and

mutual aid, will maintain and develop their individual and collective capacity to resist armed attack"; and

Whereas recent events have threatened world peace and as a result all parties to the North Atlantic Treaty are individually and collectively mobilizing their productive capacities and manpower for their self-defense; and

Whereas the free nations of Europe are vital centers of civilization, freedom, and production, and their subjugation by totalitarian forces would weaken and endanger the defensive capacity of the United States and the other free nations; and

Whereas the success of our common defense effort under a unified command requires the vigorous action and the full cooperation of all treaty partners in the supplying of materials and men on a fair and equitable basis, and General Eisenhower has testified that the "bulk" of the land forces should be supplied by our European allies and that such numbers supplied should be the "major fraction" of the total number. Now, therefore, be it

1 *Resolved, That--*

2 1. the Senate approves the action of the President
3 of the United States in cooperating in the common de-
4 fensive effort of the North Atlantic Treaty nations by
5 designating, at their unanimous request, General of the
6 Army Dwight D. Eisenhower as Supreme Allied Com-
7 mander, Europe, and in placing Armed Forces of the
8 United States in Europe under his command;

9 2. it is the belief of the Senate that the threat to

1 the security of the United States and our North Atlantic
2 Treaty partners makes it necessary for the United States
3 to station abroad such units of our Armed Forces as
4 may be necessary and appropriate to contribute our fair
5 share of the forces needed for the joint defense of the
6 North Atlantic area;

7 3. it is the sense of the Senate that the President
8 of the United States as Commander in Chief of the
9 Armed Forces, before taking action to send units of
10 ground troops to Europe under article 3 of the North
11 Atlantic Treaty, should consult the Secretary of Defense
12 and the Joint Chiefs of Staff, the Committee on Foreign
13 Relations of the Senate, the Committee on Foreign
14 Affairs of the House of Representatives, and the Armed
15 Services Committees of the Senate and the House of
16 Representatives, and that he should likewise consult the
17 Supreme Allied Commander, Europe;

18 4. it is the sense of the Senate that before sending
19 units of ground troops to Europe under article 3 of the
20 North Atlantic Treaty, the Joint Chiefs of Staff shall
21 certify to the Secretary of Defense that in their opinion
22 the parties to the North Atlantic Treaty are giving, and
23 have agreed to give full, realistic force and effect to the
24 requirement of article 3 of said treaty that "by means of
25 continuous and effective self-help and mutual aid" they

will "maintain and develop their individual and collective capacity to resist armed attack," specifically insofar as the creation of combat units is concerned;

5. the Senate herewith approves the understanding that the major contribution to the ground forces under General Eisenhower's command should be made by the European members of the North Atlantic Treaty, and that such units of United States ground forces as may be assigned to the above command shall be so assigned only after the Joint Chiefs of Staff certify to the Secretary of Defense that in their opinion such assignment is a necessary step in strengthening the security of the United States, and the certified opinions referred to in paragraphs 4 and 5 shall be transmitted by the Secretary of Defense to the President of the United States, and to the Senate Committee on Foreign Relations and Armed Services, and to the House Committee on Foreign Affairs and Armed Services as soon as they are received;

6. it is the sense of the Senate that, in the interests of sound constitutional processes, and of national unity and understanding, congressional approval should be obtained of any policy requiring the assignment of American troops abroad when such assignment is in implementation of article 3 of the North Atlantic Treaty; and the Senate hereby approves the present plans of the

President and the Joint Chiefs of Staff to send four additional divisions of ground forces to Western Europe, but it is the sense of the Senate that no ground troops in addition to such four divisions should be sent to Western Europe in implementation of article III of the North Atlantic Treaty without further congressional approval;

7. it is the sense of the Senate that the President should submit to the Congress at intervals of not more than six months reports on the implementation of the North Atlantic Treaty, including such information as may be made available for this purpose by the Supreme Allied Commander, Europe;

8. it is the sense of the Senate that the United States should seek to eliminate all provisions of the existing treaty with Italy which impose limitations upon the military strength of Italy and prevent the performance by Italy of her obligations under the North Atlantic Treaty to contribute to the full extent of her capacity to the defense of Western Europe;

9. it is the sense of the Senate that consideration should be given to the revision of plans for the defense of Europe as soon as possible so as to provide for utilization on a voluntary basis of the military and other resources of Western Germany and Spain, but not exclusive of the military and other resources of other nations.

RESOLUTION

Approving the action of the President of the United States in cooperating in the common defense efforts of the North Atlantic Treaty nations.

By Mr. CONNALLY and Mr. ROSS.

MARCH 16 (legislative day, MARCH 15), 1961

Ordered to be placed on the calendar

APRIL 2 (legislative day MARCH 30), 1961

Considered, amended, and agreed to

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IMMEDIATE RELEASE

APRIL 5, 1951

STATEMENT BY THE PRESIDENT

The adoption by the Senate of Senate Resolution 29 is further evidence that the country stands firm in its support of the North Atlantic Treaty. It reaffirms the basic principle of our foreign policy -- that the security of the United States is intimately bound up with the security of other free nations.

The strong endorsement of the appointment of General Eisenhower and his plans to send 15 troops to his own command area that there has never been any real question but that this country would do its part in helping to create an integrated European defense force.

Our main task now is to get on with the job of building our own strength and help to build the strength of the free world -- a job which we all agree should continue to be carried out through collaboration by the executive and the legislative branches of the Government.

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April 23, 1951

CONFIDENTIAL: To be held in STRICT CONFIDENTIALITY and no portion, synopsis or intimation to be given out or published until the READING of the President's Message has begun in either the Senate or House of Representatives. Extreme care must therefore be exercised to avoid premature publication.

JOSEPH SICOT
Secretary to the President

TO THE CONGRESS OF THE UNITED STATES.

Pursuant to the provisions of Public Law 329 (81st Cong., 1st sess., 63 Stat. 714), I submit the Second Biannual Report on the Mutual Defense Assistance Program, covering the period from April 4, 1950 to October 4, 1950.

In making this submission I can do no better than to reiterate the following words which were contained in my letter submitting the First Biannual Report on June 1, 1950:

"By its enactment of the Mutual Defense Assistance Act of 1949, and by its earlier provision of aid for Greece and Turkey, the Congress of the United States recognized that the security of the United States required a strengthening of the will and ability of certain free nations to resist the aggression with which they were threatened. The preservation of world peace in a form which free peoples could accept depended then, as it depends now, upon the physical capacity and moral determination of the free world to stem those forces which seek to cloak the whole earth with the mantle of totalitarianism. The Mutual Defense Assistance Program represents one part of our effort to assist in the development of this essential capacity and determination and, as the attached report amply demonstrates, is, and must continue to be, an integral part of the total policy of the United States."

Events since that time have proved beyond a reasonable doubt the truth of these principles.

HARRY S. TRUMAN

THE WHITE HOUSE,

April 23, 1951.

(One copy of the Report is in the White House Press Office and is available to the members of the Press.)

CONFIDENTIAL: The following message of the President to the Congress on foreign aid is for automatic release at 12:30 p.m., E.D.T., Thursday, May 24, 1951. No portion, synopsis, or intimation may be published or broadcast before that time.

PLEASE GUARD AGAINST PREMATURE PUBLICATION OR ANNOUNCEMENT.

JOSEPH SHORT
Secretary to the President

TO THE CONGRESS OF THE UNITED STATES:

Three weeks ago I transmitted to the Congress a Request for 60 billion dollars for the United States defense establishment during the fiscal year ending June 30, 1952.

I am now recommending for the fiscal year ending June 30, 1952, a Mutual Security Program as follows:

- (1) Military assistance to other free nations in the amount of 6.25 billion dollars.
- (2) Economic assistance to other free nations in the amount of 3.75 billion dollars, primarily to support expanded defense efforts abroad.

These amounts compare with 5.3 billion dollars appropriated for military assistance, and 3.0 billion dollars for economic assistance, in the current fiscal year.

The program for our own armed forces and this Mutual Security Program interlock. The one builds upon the other. The purpose of each is the security of the United States -- the security of American lives and homes against attack and the security of our rights and liberties as law-abiding members of the world community.

Our country has greater economic strength and larger potential military power than any other nation on earth. But we do not stand alone. We cannot maintain our civilization, if the rest of the world is split up, subjugated, and organized against us by the Kremlin.

This is a very real and terrible danger. But it can be overcome. To do so, we must work with the rest of the free world: we must join other free nations in common defense plans; we must concert our economic strength with theirs for the common good; and we must help other free countries to build the military and economic power needed to make impossible the communist dream of world conquest.

This is hard common sense and sound economy. The dollars spent under the Mutual Security Program will build more strength in support of our security than we could build at home with the same expenditure of funds.

This Mutual Security Program brings together our various foreign aid programs, including the arms aid of the Mutual Defense Assistance Program, economic assistance for Europe -- now being directed primarily to support of reconstruction -- and our economic aid to underdeveloped areas under the Point IV concept. Every one of these programs has proved its worth.

In preparing the present recommendations, each of these separate programs has been revised in the light of the emergency situation that exists in the world and the extraordinary demands that are being placed on our Nation. The amounts, the geographical areas, and the purposes of the aid have all been chosen in order to bring about the greatest possible increase in the security of the United States and the whole free world.

Under this program, the United States will send tanks, guns, and planes to a number of free countries, in Europe and other parts of the world, which are building up armed forces against the threat of communist attack. We will also send economic help to a number of countries -- economic help ranging from machinery and materials with which to make weapons, to seeds, medicines, and technical assistance with which to develop communist's allies of starvation and sickness.

This program was designed with three major characteristics of the Soviet threat in mind:

First, the Soviet threat is world-wide. In Europe, to Asia, in our own hemisphere, the strategy of the Kremlin concentrates on trying to pick off the free countries one by one, so that their resources and people can be organized against the rest of the free world. That is why the Mutual Security Program includes essential help to free countries all around the world which are exposed to the danger of internal or external communist pressure.

Second, the Soviet threat is total, it affects every form of human endeavor. Communist attack may come in the face of armed marching across frontiers; or it may come in the form of internal subversion. Economic warfare, psychological warfare, political infiltration, sabotage, the marshing of spies -- these are interchangeable aggressive weapons which the Soviet rulers use singly or together according to shifting calculations of greatest advantage. That is why the free world must concentrate upon building not only military strength, but also economic, political, and moral strength. That is why the Mutual Security Program includes economic as well as military assistance.

Third, the Soviet threat is of indefinite duration. The free world must take into account both the possibility that the Soviet rulers may soon start all-out armed aggression, and the possibility that they may carry on their aggressive tactics for many years by measures short of all-out war.

That is why the task of the free world was to not only to build defenses urgently to the immediate future, but also to prepare for the long pull. So of the free countries must make preparations now so that when our armed forces have been built up we will be able to withstand them for years, if necessary, and at the same time grow in underlying economic strength more soundly and more rapidly than the Soviet dictatorship.

The free nations have the resources and the will to overcome all these aspects of the Soviet threat. Together, our potential strength is enormous. The free nations have 75 per cent of the world's industrial capacity and most of the world's raw materials.

Most important of all, free men, all around the world, have the determination to stop communist aggression and to achieve peace. The communist aggression in Korea dispelled any lingering doubts that the Kremlin is willing to threaten the peace of the world.

The job before the free nations is to organize their potential resources and together to convert them into actual military and economic strength. Our assistance to the free world are now making vigorous efforts to this end. The Mutual Security Program will provide them with resources required to supplement and make effective their efforts. It is not a program under which we will carry the rest of the free world on our backs. It could not succeed if that were the case. The program is founded on the principle of mutual effort and the knowledge that we can help effectively only those who help themselves.

The proposed aid is related to the resources available to each recipient country, its economic stability, and the burdens it has assumed. Our aid will be provided only for essential needs that the country cannot meet by its own efforts. The need for aid will be continuously re-evaluated in the light of each country's performance and of economic and political changes.

The bulk of the assistance under the Mutual Security Program will be military equipment. Most of this will go to our partners in the North Atlantic Treaty, but in addition substantial quantities will be supplied to nations in Asia and the Middle East. Military equipment to supplement their own will be provided to countries when they have organized forces which require this equipment in order to become effective fighting units. With our assistance, the free world as a whole will be able to strengthen its military defenses rapidly. Without such aid, the necessary build-up would be dangerously delayed if not impossible.

In addition to supplying military equipment, this program will provide economic aid for a number of countries. In most countries in Europe, and in some countries in other parts of the world, this economic aid will enable the recipients to carry on larger defense programs than would otherwise be possible. In a few cases, some further economic help is necessary to continue programs toward recovery. In Asia and other underdeveloped areas, this program will enable the people to make headway against conditions of poverty and stagnation which are principal causes of Soviet infiltration.

The condition of the people in the underdeveloped areas would be a matter of humanitarian concern even if our national security were not involved. Major improvement in these conditions is necessarily a long-term process, in which the countries' own efforts, private investment, and public developmental loans should play the largest part. Carefully selected projects of technical assistance and initial development on a grant basis, however, can speed up this process and provide tangible benefits even in the short run.

The underdeveloped countries in Asia, South America, and Africa, produce strategic materials which are essential to the defense and economic health of the free world. Production of these materials must be increased. Loans and developmental help are needed. The development of the resources of these countries helps them by raising their standard of living and increasing their resistance to communist subversion, and helps the whole free world by increasing the supply of raw materials essential to defense and to an expanding world economy.

To enable the underdeveloped areas to expand their production of strategic materials, they must be assured of being able to obtain the essential supplies and equipment they need from our country. Indeed, our entire security program will be successful only if the materials available to the free world are distributed in the way that will best contribute to the build-up of total free world strength. The Mutual Security Program, like the program for our own Armed Forces, has been examined from the standpoint of the availability of supplies, materials and equipment that are required to carry it out. We believe these resources can and must be made available out of the expanding production of the free world.

In each area, the United States aid which I propose will be a small part of the total resources available for military and economic purposes -- but that small proportion is crucial. In all these areas of the world, larger amounts of United States assistance could be put to good use and would pay real dividends. But I have limited the assistance I am recommending to what is absolutely necessary, under the emergency conditions we are in today, to help these countries build essential military and economic strength.

I propose that the total funds required under the Mutual Security Program be divided as follows:

MUTUAL SECURITY PROGRAM, 1953

(in millions)

	<u>Economic</u>	<u>Military</u>
Europe	1,650	5,260
Middle East and Northern Africa	125	415
Asia	315	555
Latin America	22	<u>60</u>
Administrative Expenses	75	
	2,187	6,290

The military aid for Greece and Turkey is included in the amount for the Middle East. The amount of the economic aid for Europe includes the economic aid for Greece and Turkey. For convenience, the estimated requirement for administrative expenses for the entire program -- approximately 75 million dollars is shown as a single figure under economic aid.

The amounts requested for economic aid include 13 million dollars to be furnished the United Nations and the Organization of American States for their technical assistance programs.

The economic, as well as the military aid recommended, is grant assistance to be provided through appropriated funds. Loans by the Export-Import Bank will also continue to play an important role in our efforts to assist the economic programs of friendly countries. In order that full use may be made of the opportunities for loans, especially to develop strategic materials, I recommend that the lending authority of the Export-Import Bank be increased by one billion dollars. Not all of the increased lending authority, of course, will be used in the coming year.

With this program of assistance to the total free world effort, we will move forward rapidly toward a situation giving reasonable assurance against aggression.

Moreover, the Mutual Security Program is designed to taper off as soon as our safety will permit. The creation of effective military forces in being, coupled with increased productivity, will make it possible, within a few years, for most areas of the free world to maintain their defenses and sustain their economies without further grant assistance from this country.

The creation of this strength will provide a defensive shield against aggression for all the free world. Ever since the war, the free nations have been going forward to develop their resources and improve the lot of their people. Ever since the war, the free nations have been working together to create a world community in which each nation, respecting world law, can play its distinctive and honorable role.

The only kind of war we seek is the good old fight against man's ancient enemies -- poverty, disease, hunger, and illiteracy. This is an effort which makes use of the great elements of our strength -- our economic power, our science, our organizing ability, our political principles, our enthusiasm as free men with faith in the future. This is an effort to build, not to destroy; to grow in freedom and justice and mutual respect; to replace the force of arms with the force of successful change.

We have no doubt about the outcome of this free world effort. But we must be strong and we must have strong partners if we are to discourage new acts of violence by the power-hungry, and to win the opportunity to carry on our work of peaceful progress.

For the time-being, therefore, the emphasis in our cooperation with the other free nations must be on building our defenses should against aggression. That should threaten on one. It will never be used for aggression. But it will be used mutually for defense.

The strengthening of the free world along these lines is the best hope of producing change in the policies of the Soviet Union without a world war. Military defense forces will put a stop to the Kremlin's hope of easy conquest. Growing prosperity in the free countries will frustrate Soviet political warfare. In these circumstances, the Soviet rulers will face growing internal pressures. The peoples under Soviet control will grow more and more restless under the burden of an aggressive and hostile policy of hostility toward the whole world. The rulers of the Soviet Union will be forced by these pressures to abandon their policy of aggression.

It is too early to predict how or when this policy will change. But this program of mutual security will help to bring about such a change. It is certain that the united vigor and cooperative action of the free world can produce such results if we act in time. No system based on slavery and terror can long withstand the tremendous human energies that are released by the advance of freedom.

Europe

For the security of the United States, for the survival of freedom in the world, free Europe is a critical area that must be defended.

The people of Europe free from Soviet control number 300 million. They operate a great industrial plant, second only to our own. They occupy a uniquely strategic location. They are at once the most tempting prize for Soviet ambitions and our strongest allies in the world struggle for freedom.

The loss of Europe to the Soviet Union would not only be tragic in itself, it would also result in a tremendous shift of world power. It would compel us to convert the United States into an isolated garrison state.

That is why, three years ago, when the countries of Europe were trembling on the brink of economic collapse, the United States launched its program of aid for European recovery.

That is why, two years ago, the United States and Canada joined ten western European countries - Iceland, Great Britain, Norway, Denmark, the Netherlands, Belgium, Luxembourg, France, Portugal, and Italy - in the North Atlantic Treaty, declaring that an attack on one would be considered an attack on all.

The North Atlantic Treaty reflects the basic fact of international life that the freedom of Western Europe and the freedom of North America are inseparable.

Under that Treaty, defense plans have been developed by the military leaders of the North Atlantic Treaty countries. Under General Eisenhower's central command, a unified army, navy, and air force is being organized for the defense of Western Europe, composed of national forces assigned by individual nations.

The key element in the defense of free Europe is the ability to hold on the ground. Western Europe lacks the insulation of wide oceans. Major preparations must therefore be made to hold on land - by well-trained manpower on the ground, by the great striking force of airpower, and by a seapower which commands its surrounding waters and important lines of communication.

The European countries themselves are providing the great majority of the forces needed. The United States also has Army, Navy, and Air Force units in Europe, which add to the power of the combined defense forces, and more units will move there, both from this country and from Canada.

Our European partners in the North Atlantic Treaty now have over 2 million men under arms, plus large numbers of trained reserves. The bulk of Western Europe's armed forces are pledged to General Eisenhower's command. Moreover, some of these countries -- notably France and Britain -- have sizeable forces fighting in Malaya, Indo-China, and Korea, and have other important overseas defense commitments. The combat power of Western European forces is rising steadily as equipment becomes available and periods of military service are lengthened.

Rearmament will cause a severe drain on the Western European countries. Through their own efforts, national and collective, and with the vital assistance of the Marshall Plan, Western Europe has made a remarkable record of economic recovery since 1947. Production and trade have been restored and financial conditions have been greatly improved. In the free countries of Europe, communism has been checked and thrown back. The original goals of the Marshall Plan have been largely achieved.

But the Western European countries are by no means yet free from the after effects of the most destructive war in history.

They are living on a very narrow economic margin. Whereas our standard of living is nearly 50 per cent higher than it was before World War II, theirs has only recently reached their pre-war levels, which were much lower than ours.

The European countries cannot move rapidly into sufficient large-scale military production to provide all the equipment required for the essential expansion of their forces. Over the next few years, they do expect to increase their production of military equipment. In the coming fiscal year, it will be more than double the pre-Korean rate. But the most they can do will not be enough to equip their armed forces on the time schedule necessary for the coming defense.

The United States, with its huge and flexible industrial capacity and greater margin for diverting resources to military production, can and should continue to supply military equipment to our allies in Western Europe. In this way, many divisions, air squadrons, and naval vessels can be brought to active duty in the next year or two which otherwise could not be.

In the immediately coming years, the acute need is to produce the initial equipment for a very rapid build-up of forces. The expanding European productive capacity will contribute increasingly to this build-up. With this capacity, Europe should be able to meet the smaller continuing maintenance and replacement requirements without substantial outside aid.

The military aid for Europe in the coming year is \$5.3 billion dollars. I also recommend economic assistance for this area for the coming year in the amount of 1.65 billion dollars.

Because of the degree of economic recovery which has been attained, the total economic assistance I am requesting for European countries next year -- despite the large new burdens of European rearmament -- is substantially reduced from the amount we have provided in the current fiscal year.

However, in the free countries of Europe which are rearming, the proposed increases in military production and the building of armed forces will require large diversions of manpower and other economic resources away from production of goods for consumption, for investment, and for export. To carry these greatly enlarged military burdens, our

partners to Europe will be taking measures to increase taxes and mobilize their resources through economic controls. Despite determined efforts in this direction they will need some continuing economic assistance.

Some aid is also proposed for Western Germany, which by its support of occupation forces is assisting the defense effort and which may later make more direct contributions to the common defense. In Austria and Trieste, which cannot directly contribute to the rearmament effort, but whose economies are handicapped by special difficulties, economic aid must also be continued to maintain political stability. Certain economic assistance for Yugoslavia is proposed to help meet its minimum requirements in maintaining strength against the threat of Soviet imperialism.

This economic aid is critical -- that is, it is the essential condition of an increase in European military effort. It should make possible European production many times larger than the amount of the support given.

Middle East

The countries of the Middle East are, for the most part, less developed industrially than those of Europe. They are, nevertheless, of great importance to the security of the entire free world. This region is a vital link of land, sea, and air communications between Europe, Asia, and Africa. In the free nations of the Middle East, lie half of the oil reserves of the world.

No part of the world is more directly exposed to Soviet pressure. The Kremlin has lost no opportunity to stir these troubled waters, as the post-war record amply demonstrates. Civil war in Greece; pressure for Turkish concessions on the Dardanelles; sponsorship of the renegade Iraqi party in Iraq; furthering of factional strife in the Arab States and Israel -- all reflect a concerted design for the extension of Soviet domination to this vital area.

There is no simple formula for increasing stability and security in the Middle East. With the help of American military and economic assistance, Soviet pressure has already been firmly resisted in Turkey and the Soviet-inspired guerrilla war has been decisively defeated in Greece. But the pressure against the Middle East is unrelenting. It can be overcome only by a continued build-up of armed defenses and the fostering of economic development. Only through such measures can these peoples advance toward stability and improved living conditions, and be assured that their aim can best be achieved through strengthening their associations in the free world.

To these ends, I am recommending \$15 million dollars in military aid, for Greece, Turkey, and Iran; a portion of this aid will be available for other Middle Eastern nations if necessary. I am also recommending \$25 million dollars in economic aid for Middle Eastern countries, exclusive of Greece and Turkey for whom economic aid is provided as part of the program for Europe. This amount also includes program of technical assistance to Libya, Liberia, and Ethiopia, three independent states of Africa whose economic problems are similar to those of the Middle Eastern countries.

Continuing military aid for Greece and Turkey will make possible the further strengthening of these countries' large and well trained armed forces, which have already displayed their valiant resolution in the fight for freedom in Korea. In Iran, continuing military aid is required to help build national security and defense, together with economic aid to help maintain the Iranian economy and give impetus to the much needed longer-term process of economic development for the benefit of the Iranian people.

In the Arab States and Israel, the fundamental requirement is a regional approach to the basic problems of economic development. This is urgently needed to reduce existing tensions, especially through the orderly settlement of homeless refugees. The program for the Arab States will expand needed food production through the development of land and water resources. The program for Israel will help that country to maintain her economy during an especially trying period of her national development. At the same time, the program of assistance to the Arab refugees from Palestine, which will necessarily extend beyond the coming fiscal year, has the three-fold purpose of assisting the settlement of refugees, of strengthening those States wherein they settle, and assisting both Israel and the Arab States by removing this threat to the peace of the area.

The program I am now proposing is a balanced program for strengthening the security of the Middle East. It will make a solid contribution to our hopes for peace.

Asia and the Pacific

In Asia, in a vast area stretching from Afghanistan to Korea, free countries are struggling to resist communist aggression in all its many forms. Some of these countries are battling the communist armies of Soviet satellites; some are engaged in bitter civil strife against communist-led guerrillas; all of them face the immediate danger of communist subversion.

Soviet intentions with regard to these countries are unmistakably clear. Using the weapons of subversion, false propaganda and civil war, the Kremlin has already reduced China to the status of a satellite. The Soviet rulers have turned their satellite armies loose on the Republic of Korea. Communist rebellion is raging in Indo-China. In Burma, the Philippines, and other places, communist-trusted groups are stirring up internal disorder. In all countries, they are trying to exploit deep-seated economic difficulties -- poverty, illiteracy and disease.

This campaign threatens to shear the manpower and the vital resources of the East into the Soviet design of world conquest. It threatens to deprive the free nations of some of their most vitally needed raw materials. It threatens to turn more of the peaceful millions of the East into slaves to be used as pawns at the disposal of the Kremlin.

Beside from immediate considerations of security, the continued independence of these nations is vital to the future of the free world. Many of these nations are now to self government. They have dedicated themselves to the ideals of national independence, of human liberty, and social progress. Their hundreds of millions of citizens are eager for justice and liberty and a stake in the future.

These countries demonstrate the power and vitality of the ideals of our own American Revolution; they mark the sweeping advance across the world of the concepts of freedom and brotherhood. To lose these countries to the rulers of the Kremlin would be more than a blow to our military security and our economic life. It would be a terrible defeat for the ideals of freedom -- with grave spiritual consequences for men everywhere who share our faith in freedom.

All these considerations make it essential for the United States to help the free countries of Asia in their struggle to make good their independence and bring economic and social progress to their people. Where the governments of these countries are striving to establish free and stable political institutions, to build up their military defenses, and to raise the standard of living above the level of bare subsistence, we can and should give them assistance. We cannot replace their own strong efforts, but we can supplement them.

This Mutual Security Program is intended to do that. On the military side, it will supply certain of the Asian countries with items of military equipment and the training they need for their defense forces. On the economic side, it will provide a number of the Asian countries with the most urgently needed commodities, machinery, and tools, and with technical advice in such fields as agriculture, industry, health, and governmental administration.

The assistance I am recommending for Asian countries, \$50 million dollars in military aid and 375 million dollars in economic aid, is as planned as to meet the most pressing needs in the various countries, and is intended to provide the crucial margin of resources which will enable them to move forward.

Military assistance under this program will go to the Chinese armies on Formosa, to help keep that island out of the hands of communist China. It will go to Indo-China, where over 100,000 French troops are fighting side-by-side with the forces of Viet Nam, Laos, and Cambodia against communist-led forces. It will go to the Philippines and to Thailand, to help build forces strong enough to insure internal security and discourage outside attacks. Some of these military assistance funds will also be available for allocation to other countries in the area if a critical need arises.

The military aid under this program will supplement other military efforts against communism in Asia. The countries we will be aiding, and a number of others, are supporting military forces with their own funds. France is supplying the largest part of the military supplies needed in Indo-China, and Britain is supplying her forces against fighting guerrillas in the Malay States. The substantial military aid we are giving to the forces of the Republic of Korea is included in the budget for our military assistance.

The demand for security and peace in Asia is far more than a military matter. It may of the Asian countries, including all the countries which need military aid, economic assistance is also needed.

These countries urgently need help in their efforts to overcome the desperate conditions of poverty, illiteracy, and disease which are the heart of the Asian problem. It is a terrible fact that poverty is becoming easier than smothering it much of Asia. Millions of people still have subsistence levels.

The Asian countries are doing what they can on their own to solve these problems. An encouraging proposal reflecting a twist of these countries is the Colombo Plan for technical assistance and economic development worked out under the auspices of the British Commonwealth. In addition, even aid to which assistance will be furnished through the programs of the United Nations.

These sources of aid alone will not, however, suffice to reverse the downward trend in living standards. Aid from the United States is also necessary.

Significant programs of technical assistance and capital development are now being carried on by the Economic Cooperation Administration in some of these countries under the Point IV concept. A portion of the funds I am now recommending will provide for continuing these programs and extending them to other countries. These funds will be used to send out technical experts and equipment needed to improve health, agriculture, transportation, and communications systems and assist in the development of natural resources.

In addition, the funds I am now recommending will provide necessary economic support for defense programs in Indo-China, Formosa, and the Philippines.

Finally, the economic aid funds I am requesting for Asia include 112.5 million dollars for the United Nations Korean Reconstruction Agency. Together with 50 million dollars which are likely to remain unexpended from funds available for Korean aid for the present fiscal year, these funds will be made available to the Agency at such time as conditions in Korea permit the reconstruction program to be undertaken.

In preparing these recommendations for economic aid, projects which should be financed by loans have been excluded. The investment of private capital and public loans from the International Bank for Reconstruction and Development and the Export-Import Bank will play an important part in the economic progress of Asia, as in other parts of the world.

In the administration of this program, loans, grants and technical assistance will be mixed together with the plans and efforts of each of the recipient countries for the development of its own resources. Only in this manner can the various kinds of outside aid available to an Asian country be used most effectively and without duplication or overlapping.

These economic programs will have as their goal the creation of conditions eliminating the need for further grant aid for economic development. Both programs look toward the creation of sound government financed and public services, and toward more stable economic and political foundations fit with living standards and creating broader opportunities. It will take time to reach these goals but they must be steadily pursued. Our aid will provide a dynamic factor in that direction and will thus contribute strongly to freedom and peace in Asia.

Latin America

The United States and the other American Republics agreed in 1947, in the Treaty of Rio de Janeiro, that an armed attack upon one of them is to be regarded as an armed attack on all, and to act together for the common defense.

Our good neighbors to the south are more than willing to share in defending the hemisphere. But there are real limits on their ability to do so without some aid from us. They produce little modern military equipment.

During World War II, defense needs in Latin America required the use of over 75,000 United States troops as well as considerable United States naval forces. The armed forces of the Latin American states did not at that time have the equipment or training to carry out these defense tasks by themselves.

It makes good sense that, in planning the defense of this hemisphere, the United States should aid the Latin American countries to prepare for and take over certain hemisphere defense tasks that are of interest to us all; tasks they are willing to do and well able to handle, with a little help in equipping and training their forces. Consequently, I am recommending 10 million dollars in military assistance to these countries.

In addition, I recommend 22 million dollars in economic aid to carry forward the excellent technical assistance work that it has underway in the other American states in developing agriculture, natural resources, and health, education and other types of basic services. This type of assistance has already proved its worth in the Latin American area. It is helping to raise living standards, hasten economic development, and strengthen both peoples and governments in warding off the danger of communist subversion.

This grant assistance is helping to lay the foundation for an expanding volume of capital development, through public and

private loans and investments, is the other American republics. The United States is already providing major economic help to Latin American countries through loans by the Export-Import Bank. Fortunately, the relative geographic security and the economic position of the American Republics make possible large amounts of private loans and investments -- the normal and desirable means of fostering economic development.

Administration of the Program

The proposed organization for administering the Mutual Security Program is based on the experience we have had so far, under the arrangements established by the Congress in legislation authorizing previous military and economic aid programs.

The administration of military aid will be handled, as at present, by the Department of Defense, which will be able to insure full coordination between United States production of equipment for our own forces and equipment for our allies. The Department of Defense is responsible for evaluating the equipment deficiencies of the forces of our allies, under mutually agreed strategic concepts, and is charged with procurement, inspection and transportation of military equipment provided by this country.

Administration of economic assistance for Western Europe and most of the countries in the Middle East, Africa, and South and Southeast Asia will be carried on by the Economic Cooperation Administration. This agency has already proved its effectiveness in aiding countries to achieve economic recovery and is now administering economic assistance in support of our mutual defense and security objectives in Europe and Southeast Asia. The economic aid programs for Latin America and certain other countries in which the economic aid is limited almost wholly to technical assistance are now administered by the Technical Cooperation Administration of the State Department. Consideration is now being given to the question of whether or not it would be desirable to transfer the administration of these programs to the Economic Cooperation Administration during the period that that agency is administering other foreign economic aid programs.

These agencies will work very closely with the Export-Import Bank and the International Bank for Reconstruction and Development in achieving a proper integration between loan and grant programs.

In order to insure coordinated policy guidance in administering military and economic aid programs, a key coordinating committee has been established composed of senior representatives of the executive agencies concerned. This International Security Affairs Committee has developed out of the experience of an executive committee that had previously been coordinating operations under the Mutual Defense Assistance Act. The chairman of the new committee, the Director of International Security Affairs, is a senior official of the Department of State confirmed by the Senate, and occupies a position authorized by the Congress under the Mutual Defense Assistance Act.

* * * * *

I recommend this Mutual Security Program to the Congress as another vital step along the road to real security and lasting peace. Peace through collective strength is a difficult course. It is not without dangers. There can be no absolute assurance of success. But there are far greater dangers in any other course.

We cannot win peace through appeasement. We cannot gain security in isolation. We will not surrender.

Let it never be forgotten, however, that we are ready as we have always been, to follow the road of peaceful settlement of disputes, of control and reduction of armaments, of cooperation in applying Man's talents to the building of a just and prosperous world society.

If the rulers of the Soviet Union did not drown their words of peace with the drums of war, if their professions of peaceful intent were matched by deeds, the century in which we live could become the brightest that has known upon this earth. For our part, if peace could be made sure, the American people would be glad to invest a part of the resources we must now allocate to defense to a large scale program of world-wide economic development.

The benefits of such a program would be immense: the most a small part of what we must now pay to build our defenses at home and abroad. With such a program, we could, in cooperation with other peoples, inaugurate the most hopeful and fruitful period of peaceful development the world has ever seen.

This was our vision six years ago, when the war came to a close. Let us never forget it. And let us never give up our hopes and our efforts to make it a reality.

HARRY S. TRUMAN

THE WHITE HOUSE,

May 24, 1951.

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OCTOBER 26, 1951

31

The President has appointed W. Averell Harriman as United States Representative to the Special North Atlantic Council Committee established September nineteenth at Ottawa by the North Atlantic Council. The Committee's task will be to prepare a coordinated analysis of all NATO defense plans in relation to the political and economic capabilities of the member countries.

This analysis will provide a basis for dealing with the complex problems which must be solved if the free world is to be assured of continued progress in building its defenses.

The Committee will make a progress report to the Council at its next meeting and is to complete its analysis and report its findings to the Council not later than December 1, 1951.

NOVEMBER 2, 1951

EXECUTIVE ORDER

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PROVISIONS FOR THE ADMINISTRATION
OF THE MUTUAL SECURITY ACT OF
1951 AND RELATED STATUTES

By virtue of the authority vested in me by the laws referred to in section 1(a) of this order and by the act of August 8, 1950, 46 Stat. 117 (1 U.S.C. 301-303), and as President of the United States and Commander in Chief of the armed forces of the United States, it is ordered as follows:

Section 1. Delegation of functions of the President.

(a) Except as otherwise provided in section 1(b) of this order, the functions conferred upon the President by the following-designated laws are hereby delegated to the Director for Mutual Security: the Mutual Security Act of 1951, 46 Stat. 373 (Public Law 145, 82nd Congress, approved October 10, 1951), the Mutual Defense Assistance Act of 1949, 61 Stat. 714, as amended (22 U.S.C. 1501-1504), and the act of May 22, 1947, 61 Stat. 101, as amended (22 U.S.C. 1401-1408).

(b) There are hereby excluded from the functions delegated by section 1(a) of this order:

(1) The functions conferred upon the President by the laws referred to in section 1(a) of this Executive order with respect to the appointment of officers required to be appointed by and with the advice and consent of the Senate, the transmittal of annual, semi-annual, or other periodic statutory reports to the Congress, and the termination or withdrawal of assistance;

(2) The functions conferred upon the President with respect to findings, determinations, certification, agreements, or regulations, as the case may be, by sections 101, 202, 302(a), or 511, or by the provision of section 401, of the said Mutual Security Act of 1951 or by sections 303, 402, and 411(b) of the said Mutual Defense Assistance Act of 1949, as amended; functions so conferred with respect to the transfer of funds under sections 101(b), 303(a), and 511 of the Mutual Security Act of 1951; and so much of the functions so conferred by section 5 of the said act of May 22, 1947, as amended, as relates to rules and regulations providing for coordination among representatives of the United States Government in each foreign country concerned.

(3) The functions conferred upon the President by sections 500(e), 503, 507, and 530 of the said Mutual Security Act of 1951 and by sections 407(b)(2) and 408(f) of the said Mutual Defense Assistance Act of 1949, as amended.

(c) Funds appropriated or otherwise made available to the President to carry out the laws referred to in section 1(a) hereof shall be deemed to be allocated to the Director for Mutual Security without any further action by the President, and the said funds may be allocated by the Director for Mutual Security to any agency, department, establishment, or jointly-owned corporation of the Government for obligation or expenditure thereby, consistent with applicable law, subject, however, to the reservation of functions respecting transfer of funds set forth in section 1(b)(2) hereof.

(d) The functions delegated to the Director for Mutual Security by this section 1 shall be deemed to include the authority to redelegate the functions so delegated.

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Sec. 2. International development. The administration of programs under the Act for International Development (Title IV of the act of June 5, 1950, 66 Stat. 206, as amended (22 U.S.C. 1557 et sequi) in accordance with Executive Order No. 10159 of September 8, 1950, shall be subject to coordination, direction, and supervision by the Director for Mutual Security in accordance with section 501(a) of the Mutual Security Act of 1951; and the said Executive Order No. 10159 is amended accordingly.

Sec. 3. Coordination with foreign policy. The Secretary of State and the Director for Mutual Security shall establish and maintain arrangements which will insure that the programs included in the Mutual Security Act of 1951 shall be carried out in conformity with the established foreign policy of the United States.

Sec. 4. Interrelationship of Director and Secretary of Defense. (a) Consistent with section 501(a) of the Mutual Security Act of 1951, the Secretary of Defense shall exercise the responsibility and authority vested in him by section 501(a) of the said Act subject to coordination, direction, and supervision by the Director for Mutual Security.

(b) The Secretary of Defense shall keep the Director for Mutual Security fully and currently informed of all matters, including prospective action, relating to the establishment of priorities under section 504(b) and the furnishing of military items under section 506(e) of the said Act.

Sec. 5. Economic cooperation. (a) December 30, 1951, is hereby fixed as the date on which sections 502(c), 502(b)(2) and 504(a) of the Mutual Security Act of 1951 shall take effect.

(b) The Mutual Security Agency is hereby designated to the agency responsible for liquidating any outstanding affairs of the Economic Cooperation Administration which are now or hereafter required to be discontinued by law, and the said Agency shall be deemed to be the successor of the said Administration to all respects, subject to the provisions of the Mutual Security Act of 1951.

Sec. 6. Transfer of personnel, property, records, and funds. So much of the personnel, records, property, and estimated balances of appropriations, allocations, and other funds of the Department of State as the Director of the Bureau of the Budget determines to relate to functions under the Mutual Security Assistance Act of 1949, as amended, and the said Act of May 22, 1947, and to be required by the Director for Mutual Security for the performance of his functions hereunder shall be transferred to the Director for Mutual Security.

Sec. 7. Prior orders. (a) Effective as of the date fixed in section 5(a) hereof, with respect to provisions then in force, not except as may be inappropriate, references in prior Executive orders to the Economic Cooperation, and the United States Special Representative for (or in) Europe, are deemed to refer to the Mutual Security Agency, the Director for Mutual Security, and the Special Representative in Europe (provided for in section 504(a) of the Mutual Security Act of 1951), respectively.

(b) To the extent that any provision of any prior Executive order is inconsistent with the provisions of this order, the latter shall control and such prior provision is voided accordingly.

The emphasis on the defense of eastern Europe has not diverted our attention from the threats to the integrity of nations in other parts of the world whose security is closely linked to our own. The problem of security is world-wide. The threat of aggression casts its shadow upon every quarter of the globe.

The military assistance we have given Greece and Turkey since 1947 has brought impressive results. In Greece, it has brought guerrilla warfare to an end, and has paved the way toward political stability and economic progress. It has given Turkey the ability to maintain its territorial and political integrity. Our military aid to Greece and Turkey must continue, but the amount required will be less than half that needed in the current fiscal year. For military assistance to Greece and Turkey for the next fiscal year, I recommend that the Congress authorize funds in the amount of \$120,000,000.

That Iran remains an independent country in spite of continuous Soviet pressure is due in part to the strong support of the United States. The security of the Republic of Korea is under the constant menace of the communist-dominated regime in North Korea, whose purpose is to destroy the new republic established after free elections held under the auspices of the United Nations. The independence of the Philippine Republic, freely given it by the United States, has become a symbol to the Far East, and, indeed, to the whole world. Today, it is under attack by a subversive element among its own people, whose objective is to serve the ends of communist imperialism. For military assistance to Iran, Korea, and the Philippines, for the next fiscal year, I recommend that Congress authorize \$27,500,000.

The problem of security against communist aggression extends to certain other countries of the Far East which have been emerging as new and independent states. Recent events make it evident that the forces of international communism do not want these countries to grow in freedom -- instead the communists seek to dominate them. The \$75,000,000 which the Congress authorized last year for assistance to countries in the general area of China has been available to help these nations ward off the threat to their security from subversive communist forces within their countries, and to help them prevent the further extension of communist imperialism in the Far East. The value of having these funds available has been amply demonstrated. Programs of assistance to countries in this area, such as Indo-China, are now underway.

The rapidly changing conditions in and around China require the constant re-evaluation of the situation in that area, and constant readjustment is not in the interests of peace when we can do so effectively. Accordingly, I recommend the authorization of an additional \$75,000,000 for military assistance to countries in the general area of China during the next fiscal year.

The security of the United States and the free world may demand prompt emergency assistance on the part of the United States to other imperiled nations whose sustained integrity is of vital importance. I therefore recommend to the Congress that United provisions be made for authority to cope with such emergencies. It will not be necessary to provide additional funds for this purpose. Such emergencies will be sufficiently provided for if a small portion of the funds made available for military assistance may be shifted to meet such situations should they arise.

The present provisions of the statute under which the United States is authorized to provide military assistance to countries which can afford to pay for such assistance have proved unnecessarily restrictive. As enacted, the law limited the countries to which the United States could provide military equipment on this basis to those countries designated in the law and to those which have joined with the United States in a collective or regional security arrangement. There are, however, other countries the security of which is of importance to the United States and to which it would be in the national interest to provide military equipment at no expense to the United States. Moreover, limitations respecting the amount, time, and security of payment have tended to frustrate the purposes of the present provisions. I therefore recommend that Congress take action to modify the present provisions.

In addition to direct military supplies, assistance is now being provided to certain other countries in the limited form of materials and machine tools. We are helping our partner nations to increase their ability

January 10, 1952

CONFIDENTIAL To be held in STRICT CONFIDENCE and no portion, synopsis or intimation to be given but of published until the READING of the President's message has begun in the Senate. Extreme care must therefore be exercised to avoid premature publication.

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JOSEPH SHORT
Secretary to the President

TO THE SENATE OF THE UNITED STATES:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of a Protocol to the North Atlantic Treaty on the Accession of Greece and Turkey which was opened for signatures at London on October 17, 1951 and has been signed on behalf of the United States of America and the other Parties to the North Atlantic Treaty. I transmit also for the information of the Senate the report made to me by the Secretary of State regarding this matter.

It is my firm belief that the expansion of the North Atlantic Treaty at this time to include Greece and Turkey -- two countries which have been collaborating so effectively with the other members of the free world in building the structure of peace -- is a requisite step in the furtherance of the Treaty's objectives. I hope, therefore, that the Senate will find it possible to give early and favorable consideration to this Protocol.

HARRY S. TRUMAN

THE WHITE HOUSE,

January 10, 1952.

JANUARY 14, 1952

The President today nominated William H. Draper, Jr., to be United States Special Representative in Europe with the rank of Ambassador.

Mr. Draper will represent the United States Government as a whole and will be responsible to the President. He will be concerned with the various aspects of the Mutual Security Program in Europe. He will act for the Director for Mutual Security in providing for regional basic coordination, continuous supervision and general direction of the military and economic assistance programs. He will be charged with seeing that these programs are effectively integrated and administered so as to assure that the distinctive strength of the nations concerned shall be built as quickly as possible on the basis of continuous and effective co-operation and mutual aid. He will also exercise general supervision over the European activities of the Mutual Security Agency.

The United States Special Representative will maintain close liaison with the American ambassador in the various European capitals, the United States Deputy in the North Atlantic Council and the Commanding General of the United States European Command. He will also maintain close contact with the United States members of the various North Atlantic Treaty agencies in Europe and with the United States members of General Eisenhower's Headquarters.

Proposals for improvement of the North Atlantic Treaty Organization are presently under active consideration. As this reorganization comes forward, it is expected that the United States Special Representative will become the senior United States civilian representative in Europe responsible for North Atlantic Treaty as well as Mutual Security Program matters.

Mr. Draper, now Chairman of the Long Island Transit Authority, is resigning from that post with the consent of Governor Thomas E. Dewey, to undertake the new assignment. Mr. Draper had taken over operation of the Long Island railroad as Trustee at Governor Dewey's request shortly after the disastrous railroad wreck in 1950. Recently he returned as Trustee but continued as Chairman of the Long Island Transit Authority to help work out a reorganization of the bankrupt railroad on either a private or public ownership basis.

From 1947 until early 1949 Mr. Draper was Under Secretary of the Army with responsibility for directing American occupation policies in both Germany and Japan. His Army experience goes back to World War I when he was a Major in Infantry. From 1926 to 1940, as a Reserve Officer, he was Chief of Staff of the 77th Infantry Reserve Division. Called back to active duty in 1940, he assisted General Hatcher in getting Selective Service under way and later went in World War II when he commanded the 136th Infantry Regiment in the Pacific area. From 1945 to 1947, as a Major General, he was Economic Adviser to General Clay, U. S. Military Governor of Germany and Commander-in-Chief of the European Theater. Mr. Draper was the American representative at a Reparations Commission meeting in Moscow in September 1945, and in 1947, attended the Moscow Conference of American Ministers of Military Government Advisers to Secretary of State Marshall.

Mr. Draper's banking connections in New York, between World Wars I and II, linked the National City Bank, Bankers Trust Company, and Dillon, Read and Co. He became Vice President of the latter concern in 1937, and in 1940 was one of those who resigned from that firm.

Mr. Draper was born in New York City on August 10, 1894. He graduated from New York University in 1916 and has received the honorary degree of Doctor of Laws from New York University, Duke University and the University of Louisville. He is still a Major General in the Reserve component of the Army. His decorations include the Distinguished Service Medal, the Legion of Merit, received from both the Army and the Navy, the Distinguished Service Medal, and the Order of the Netherlands Lion bestowed by the Kingdom of the Netherlands.

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Mr. Draper was married in 1938 to the former Katherine L. Bann, who died in 1962. He has three children, Mrs. Phillips Howliss, Katherine L. Draper, and First Lieutenant William A. Draper, Jr. The latter has been serving for several months as a platoon commander in Co. G, 35th Infantry in Korea, and has recently been appointed Aide to General Yoon, Commanding General of the 1st Corps. In 1949, Mr. Draper married the former Danica Strupski, daughter of Brig. General Joseph E. Strupski, USA Retired. Mr. Draper's residence is Madsen, Long Island, New York.

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JANUARY 18, 1962

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The President and the Prime Minister with their advisors have had several discussions relating to the arrangements about the Atlantic Command recommended by NATO and accepted by the late Government of the United Kingdom. As a result of their discussions they agreed that His Majesty's Government and the United States Government would recommend to NATO certain alterations in the arrangements designed to extend the United Kingdom home command to the 100 fathom line. They also agreed on the desirability of certain changes which would provide greater flexibility for the control of operations in the Eastern Atlantic. These changes however do not go the full way to meet the Prime Minister's objections to the original arrangements. Nevertheless the Prime Minister, while not withdrawing his objections, expressed his readiness to allow the appointment of a Supreme Commander to go forward in order that a command structure may be created and enabled to proceed with the necessary planning in the Atlantic area. He reserved the right to bring forward modifications for the consideration of NATO, if he so desired, at a later stage.

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The President today sent the following identical letters to Honorable Joe Connally, Chairman of the Committee on Foreign Relations, United States Senate; Honorable James P. Richards, Chairman, Committee on Foreign Affairs, House of Representatives; Honorable Richard B. Russell, Chairman, Committee on Armed Services, United States Senate; and Honorable Carl Vinson, Chairman, Committee on Armed Services, House of Representatives:

My dear Mr. Chairman:

It has become clear during the past two months that additional resources must be made available to France, Greece, Turkey, the United Kingdom and Yugoslavia during this fiscal year to permit them to meet their present and projected defense plans. Each of these countries is an important part of the defense plans of the free world; France and the United Kingdom are joined with the other countries of NATO in a common defense plan with a common strategy under the supreme command set up by the NATO, Greece and Turkey possess military forces that have been built up and equaled with United States assistance over several years and will shortly become members of NATO, Yugoslavia occupies a vital strategic position on the flank of Western European defenses. It is in the interest of our national defense and our mutual security with the other nations of the free world that the defense programs of these countries should be carried out.

I have therefore determined, pursuant to the provisions of Section 101(a) of the National Security Act of 1951, that it is necessary for the purpose of test set to transfer \$48,000,000 from the appropriations provided pursuant to Section 101(r)(1) thereof for military assistance to Europe, to the appropriations provided pursuant to Section 101(r)(2) thereof for economic assistance to Europe. I am satisfied that this transfer of funds will in fact contribute more to military strength in Europe than if the same funds were to be used to secure military assistance for delivery to the countries concerned. The military effort on the part of these countries which will be made possible by this transfer will be considerably larger than the amount of funds transferred.

Of the amount so transferred, \$30,000,000 will be allotted to the United Kingdom for the transportation of commodities essential to the maintenance of the defense effort of the United Kingdom as set forth in Mr. Harrison's letter to you of January 28, 1952; \$18,000,000 will be allotted to France under the terms of the understanding reached with the French Government last November as reported to you in a letter from the Office of the Director for Mutual Security dated October 12, 1951, with the understanding funds deriving from such assistance to be used by the French Government for procurement of supplies for the campaign in Indochina; and the remainder will be allotted to Greece, Turkey, and Yugoslavia, to assist these countries in carrying out the defense programs discussed between their governments and the Government of the United States.

I have made this determination upon the recommendation of the Director for Mutual Security with the concurrence of the Secretary of State, the Secretary of the Treasury, and the Secretary of Defense.

This letter is intended to constitute the notification to your Committee required by Section 12.(b) of the Mutual Security Act of 1951.

I am enclosing for the information of your Committee the recommendations I received from the Director for Mutual Security.

Sincerely,

DWIGHT D. TRUMAN

NOVEMBER 28, 1952

The President has read the following letter to the Honorable W. John Kenney, accepting his resignation as Deputy Director for Mutual Security:

November 28, 1952

Dear John:

In accordance with your request, I am accepting your resignation as Deputy Director for Mutual Security, effective December 1, 1952. I am glad, however, to know that you will be available to the new Director for such assistance as he may require, since it is my desire to cooperate wholeheartedly with the incoming Administration in effecting an orderly transition.

Again I want to thank you for all that you have done during your long service in the Department of the Navy and more recently in the Mutual Security Agency to promote the national interest and world peace. You have every reason to be justly proud of the contribution which you have made in our Country's behalf and I congratulate you on it.

I appreciate deeply your comment on the achievements of my Administration, and it is my earnest hope that our efforts to achieve a lasting peace continue to bear fruit in the years to come.

Mrs. Truman and I are indeed grateful to you and Mrs. Kenney for your kind personal regards and we join in wishing for both of you every happiness in the future.

Very sincerely yours,

Dwight D. Truman

Following is the text of Mr. Kenney's letter to the President:

My dear Mr. President:

I wish to tender my resignation as Deputy Director for Mutual Security effective as of the first of December. Personal considerations require me to make this decision at this time. Since I will be located in Washington, I have made arrangements with Averell to make myself available to the new Director for Mutual Security, Mr. Stassen, for such assistance and time as he may require from me to familiarize himself with the operations of the Mutual Security Agency. In this way, I think an orderly transition can be arranged.

You have honored me with three appointments: first, as Assistant Secretary of Navy, then as Under Secretary of Navy, and more recently, as Deputy Director for Mutual Security. I greatly appreciate the confidence and trust that you have reposed in me. It has been a privilege to work under your inspired leadership.

The effect of your efforts to resist the forces of aggression and to achieve world peace will be felt long after the termination of your administration which has so ably met all the problems thus faced it. I hope that the years ahead will give you the rest and happiness which you so justly deserve after your many years of public service.

APPENDIX

France

The strength of French military forces is a key element in the effective defense of the free world, both in deterring the threat of Soviet aggression in Europe and in stemming active Communist aggression in Southeast Asia. In both areas French forces constitute the largest ready contingent and occupy geographical positions of key strategic importance. France has initiated the proposed European Defense Community; with United States support France is carrying on sizable military operations against Communist aggression in Indochina and is organizing and equipping new indigenous forces in the Associated States of Indochina for the long-term security of that area.

The projected French defense program for calendar year 1952 involves expenditures equivalent to \$1,500 million, about 11 percent of the country's estimated national product. Nearly one-third of this budget will be devoted to the campaign in Indochina.

Realization of this French defense effort is directly dependent upon the ability of France to maintain an adequate volume of dollar imports. During the month of November the French Government was forced to equidene a drastic cut in dollar imports because of the low level of dollar earnings in relation to the French import program for this fiscal year. It now appears that the reduction in the import program being considered by the French Government would seriously and adversely affect French production and financial stability. As an immediate consequence of such a reduction in the level of imports the French Government would have to reduce its defense program by an amount substantially larger than the value of the imports to be eliminated from the French program.

To explore means of minimizing the impact on the French defense program by resulting on undue reduction in the level of imports, the Secretary of State, the Secretary of Defense, and the Director for Mutual Security held several conversations with members of the French Cabinet at the end of November. During these conversations, which were joined by the Secretary of the Treasury, the French import requirements were considered in relation to prospective dollar availability to France. The two major elements discussed were the amount of economic aid to be received by France under the Mutual Security Program this year, and the extent of U. S. Government expenditures in France and French North Africa which would occur in connection with military construction and the stationing of U. S. troops abroad. Representations were made to the French at that time that, through expenditures under the U. S. defense program and the Mutual Security Program, a total of \$600 million could be available to France in the Fiscal Year 1952 provided that the French Government carried out the full military effort of which France is presently capable, in accordance with the analysis of the Temporary Committee of NATO, and provided that the French Government give fullest cooperation in the development of the various facilities necessary for support of United States and other NATO defense forces and in facilitating U.S. procurement in France.

Of this \$600 million, expenditures of the U.S. Government in France and French North Africa for certain bases and other military construction and for the provision of U.S. forces were expected to

amount to about \$300 million. Economic aid then programmed for France out of Mutual Security Funds and already committed with the French Government, amounted to \$650 million, and \$11 million was available for special assistance to specific defense production projects. Of the remainder, it has been agreed by the interested agencies that \$100 million should be made available by transfer under Section 101(a) of the Mutual Security Act to finance necessary imports into France with the corresponding counterpart funds to be used to finance supplies for the campaign in Indochina, and that \$30 million should take the form of purchases of military supplies for the Indochina war for which the French would otherwise have to pay dollars, to be administered under Title III (Asia and Pacific) of the Mutual Security Act.

The United Kingdom

During the last six months of 1952 Britain suffered very serious losses from its foreign exchange resources, sharply reducing the reserves level that prevailed during the year ending June 30, 1952. The total of such losses was \$2,537 million, while the result was Britain's reserves as of December 31, 1952, amounted to only about \$7,325 million.

The United Kingdom took exceptional measures in September 1952 to curtail non-defense imports and domestic civilian demand in order to conserve dollar earnings, and on January 29, 1953, announced further measures for the same purpose. The Commonwealth countries, as a result of the recent conference of Commonwealth Finance Ministers in London, are now considering important additional proposals calculated in the aggregate to insure that the sterling area as a whole will be in balance with the rest of the world by the end of the second half of 1953. It is our considered conclusion, however, that these measures cannot alone suffice to meet the present crisis. The United Kingdom is dependent on its dollar earnings for many essential imports. The flow of these imports must be adequately maintained to meet a reasonable level of operations capable of supporting the defense program on which the United Kingdom has embarked and the maintenance of which has recently been recommended to the analysis of the Temporary Council Committee of NATO.

For a short period the monetary level of imports could be maintained by further depletion of the United Kingdom's gold and dollar reserves; but on anything like the recent rate of drawing on reserves, they would very soon be exhausted. To permit the adjustments that would be necessary to avoid exhaustion of the United Kingdom's gold and dollar reserves, measures would have to be taken immediately to reduce the consumption of raw materials and divert costly to export production away of the industries which are now supporting the British defense effort.

The amount of \$300 million will in no way reduce the need for the measures already taken or about to be taken by the British Government to reduce the dollar requirements and to increase its dollar receipts.

The United Kingdom is now carrying the heaviest share of the defense effort of the European NATO countries. Aside from the United States, the United Kingdom has the largest program for the production of military equipment; the British are now producing more military equipment than all the other NATO countries combined. The United Kingdom was the first European country to undertake a very large increase in its defense effort after Korea; that enlarged defense effort was not continued on the receipt of U.S. economic assistance. In view of the difficulties involved in, and the time required for, initiating defense production, any serious interference in the defense production presently under way in the United Kingdom would be exceedingly costly even if at a future period the British dollar position permitted reconversion to defense production.

It has been estimated by the British Security Agency that, in order to carry on some \$2 billion of dollars equal to the \$200 million here recommended to be made available to the United Kingdom by transfer & reduction of more than twice that amount in the British defense program would be required. It is consequently considered of great importance to United States defense objectives in Europe that the British Government not find it necessary to cut back the defense program either because of unavailability of necessary materials or because of the necessity for using defense plant capacity for production of dollar earning exports to finance imports of necessary raw materials.

The items to be financed under this aid program for the United Kingdom will include steel, aluminum, diesel, machine, copper, petroleum products, and other raw materials and components related to the defense program. In addition, the Government of the United Kingdom will apply the sterling counterpart to its defense production program.

Prime Minister Churchill stated in his recent speech to the Congress, "We shall continue to do our utmost in the common cause." The United Kingdom has once again assured us of its determination to carry out its defense program to the fullest extent of its resources and capabilities.

Greece

Emergency aid to Greece has been cut drastically from the 1951 level of \$275 million. Economic recovery, and such that it was estimated early this fiscal year that about \$20 million of aid would be sufficient to support the Greek economy, even though Greek defense expenditures had been increased by about 12 percent.

During the recent months, however, there has been a sharp deterioration in the Greek economic situation. Unless income and exports can be financed, the Greek defense expenditures program will be jeopardized. It is the opinion of U.S. military authorities that any reduction in the Greek defense effort will seriously affect the defensibility of the area, and it has accordingly been agreed that an additional amount of approximately \$10 million of economic aid should be furnished to Greece during this fiscal year.

Turkey

Turkey's defense program provides for an increase in troop strength, a badly needed non-commissioned officers training program, an increase in the production of such weapons and supporting military items as Turkish industry is effectively able to produce, and a number of other special projects which are vital to the defense of this key strategic area.

In order to make possible the carrying out of this program, it has been agreed that an additional \$25 million of economic aid should be made available to permit a total of \$70 million to be allotted to Turkey during this fiscal year. Without this assistance Turkey would have to curtail seriously the resources going into its defense program and into certain developmental projects of strategic importance.

Yugoslavia

Yugoslavia occupies a vital strategic position on the flank of the defense of Western Europe. It is under direct threat of aggression, and its ability to defend itself is considered essential to the security of Western Europe.

In order to sustain Yugoslavia's very heavy defense effort, substantial outside assistance is needed in support of what is still a primitive economy still suffering from the loss of markets and sources of many imports which extended the longest to Soviet Russia in 1948. To some extent, this assistance can and will be furnished by the United Kingdom and France, in accordance with a tripartite agreement to which the United States is a party. The major share of the imports which Yugoslavia must have, however, must come from non-European sources, and they cannot be obtained by Yugoslavia without substantial U. S. assistance.

The present financial state of the Yugoslav Government calls for a further restriction on the share of the output for civilian consumption and investment for non-defense purposes, while expanding the share of current defense expenditures and investment for defense production. Even in U. S. assistance halved the level allowed could be felt directly in the military program, since the non-military assistance already being increased to a low level.

Although it is doubtful if Yugoslavia would undertake any quantitative cuts in its military expenditures, the quality of its defense effort would suffer seriously. We are furnishing them with a considerable quantity of military and items from this country, but in order to attain a balanced and effective fighting force, they themselves must provide clothing, personal equipments, military reserve stocks, ammunition and all of the armaments which they are capable of producing. In order to do this, Yugoslavia must import substantial quantities of POL, cotton, hides, steel and other products which must be sold for in dollars. They cannot do so, however, unless the United States is willing to provide financial assistance.

Yugoslavia has recently presented the U. S. with a list of dollar requirements considerably in excess of any requests thus far received. These limits have been rigorously screened down to what is considered a bare minimum, but it has been agreed that additional economic aid of approximately \$10 million must be provided during this fiscal year to support of the Yugoslav military effort during this fiscal year.

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CONFIDENTIAL: The following message of the President to the Congress on the Mutual Security Program for the fiscal year ending June 30, 1953, is for automatic release at 12:35 p.m., E.S.T., Thursday, March 6, 1953. No portion, synopsis, or intimation may be published or broadcast before that time.

PLEASE GUARD AGAINST PREMATURE PUBLICATION OR DISSEMINATION

JOSEPH SHORT
Secretary to the President

TO THE CONGRESS OF THE UNITED STATES:

I recommend that the Congress authorize the continuance of the Mutual Security Program for the fiscal year ending June 30, 1953. Such action is essential to advance our program for world peace and to protect the security of the United States.

The Mutual Security Program provides equipment, supplies, and technical cooperation to enable friendly countries to carry out military and economic programs that will bring very great returns in increasing their security and our own. In each case, the countries concerned are striving to accomplish objectives which will bring closer to full realization our mutual goals of freedom and peace under the great principles of the Charter of the United Nations. Without your resources from us to add to their own, these objectives cannot be accomplished.

My support for this program rests on four propositions:

First, the plain fact is that we cannot achieve lasting security for ourselves except in association with other nations.

Second, the funds provided by the United States under the Mutual Security Program are essential to the success of the common efforts we are making with other free nations for peace.

Third, the funds thus provided by the United States will yield for large returns, in terms of our own security, when if the same amount were used for our own defense establishment.

Fourth, the cost of the Mutual Security Program, together with the much larger costs of our military and other defense measures, are well within our economic capacity.

I do not need to review here the tragic circumstances which have compelled this Nation to undertake massive programs for national defense and for mutual security. Most of us fully understand today the gravity of the threat which Soviet aggression carries for the survival of civilization.

Neither do I need to dwell upon the fact that all our military preparations are defensive preparations. We are seeking to create strength in the world sufficient to prevent aggression. We do not contemplate aggression in the magnitude or of the character necessary to launch aggression. These facts underline the statement which cannot be too often repeated: our objective is peace, not war.

The point I do want to emphasize, for there still appear to be some people who do not recognize it, is that to achieve peace we must work together with other nations.

Some people would have us withdraw to our own shores and gamble our national safety on air and naval power. A glance at some of the vital materials that go into air and naval power illustrates how self-defeating this would be. Four-fifths or more of the manganese, the tin, and the chrome in a United States destroyer or jet fighter come from outside the eastern hemisphere. Should we turn our back on the rest of the world, these and other precious resources, so vital to our own security, would not only be lost to us, but in all probability would be added to the military strength of the Soviet empire.

Without our friends abroad, the threat of aggression would move closer to our own shores. Without their added forces, and the bases on their soil, and the raw materials from their mines and forests, our military power would be gravely hampered in its defense of the United States, and our whole economy would be seriously weakened. Our support and assistance for other nations, therefore, are not in the nature of charity. There are not handouts which we can caringly offer or withhold without regard to the effect on our own safety. The problems of American survival would be multiplied to an incalculable extent if we had to face the Soviet threat without the support and assistance of other nations.

The Mutual Security Program is justified not only by these hard strategic and military realities. It is, in addition, the only course which fulfills our position as a world leader in the battle for freedom and the rights of man. That is the reason so many nations freely join with us in a common faith in democracy and a common desire for peace. These nations are our friends, and not our satellites. As friends, they contribute to the shared wisdom and faith of the free world — a wisdom and faith on which no single nation can stake a monopoly. We must accordingly take care to treat them as friends. We must not act as though we wished to degrade them to the rank of satellites by granting a rigid and humiliating self-sufficiency which no free nation could with dignity accept. We will never be defeated as long as we truly stand for a free partnership of free peoples. The unconquerable power of the free world lies in the fact that loyalties are not coerced.

The concrete requirements of American security compel us to a policy of international cooperation. But it would be, I believe, a misrepresentation of the American people to suppose that self-interest — even wise and enlightened self-interest — is the only cause for our concern with the outside world. As a nation, we have been dedicated through our history to the belief that responsible man deserves a democratic government and a free society. This belief is the essence of our way of life. We would betray our innermost convictions if today we were to flee the cause of the free peoples. If through inaction we desert the cause of democracy, the democratic hope may be exterminated in broad areas of this earth. If we rise to our historic traditions, we can and must deliver ourselves to the democratic counter-offensive which inspires in the people of the world a sense of their own destiny as free men — and which will in the end burst the bonds of tyranny everywhere on earth.

The pursuit of mutual security through mutual strength is thus the keystone of the broad foreign policy which the United States and other free nations have adopted as the surest road to lasting peace.

The American people have steadfastly supported this foreign policy since the Second world war. Its pattern today is sharp and clear. If I were to make a brief definition of our policy, I would call it the policy of peace through collective strength. We are joined with other countries in the patient and systematic

building in the free world of enough military strength to deter external communist aggression and of economic and political and moral strength to remove internal threats of communist subversion and point the way toward democratic progress.

I wish to reemphasize very strongly that all these forms of strength are necessary if we are to achieve freedom and peace. The plain and inescapable fact is that they are indivisible. Neither military strength nor economic strength nor political strength nor moral strength can do the job alone.

Military strength is the first necessity, for without it aimed against aggression the free world would be helpless before the enemy. Military strength must be built, and we must help build it, in Europe and in other critical areas of the world. But military strength is not just a matter of delivering arms to our allies. It is also a matter of defense support to enable our allies to be more to expand and equip their own defense forces.

and even arms and defense support together do not provide a full answer to the Soviet threat, to believe that they do is dangerously to misinterpret the nature of the foe. The gun is but one weapon in the Soviet arsenal of aggression. If we ignored the necessity for building moral and political and economic strength, we would expose ourselves to the danger of communist gains which could be at least as damaging as outright aggression. Since the Soviet Union does not rely exclusively on military attack, we would be foolish indeed to rely exclusively on military defense.

OUTLINE OF THE PROBLEM

The funds required under the Mutual Security Program fall into two broad categories.

The first of these, which is by far the larger, is for assistance in building up the military strength of friendly nations. This aid is of two types: (1) direct military aid, primarily in the form of military equipment and components thereof, and (2) defense support -- primarily in the form of raw materials, commodities, and machinery -- to enable other countries to sustain and increase their military efforts, where that type of support produces greater returns in military strength than would an equal amount of direct military aid. The bulk of the direct military aid and of the defense support will go to strengthen the defenses of the free nations in Europe. Amounts for direct military aid and defense support make up about 90 per cent of the total funds recommended for the Mutual Security Program for the fiscal year 1953.

The second broad category is for economic and technical assistance, primarily for the underdeveloped areas of the world, where economic progress is the first essential to the battle for freedom. Some of these funds will in fact also support defense efforts to certain countries in Southeast Asia, where communist aggression is an immediate menace. Amounts recommended for economic and technical assistance are about 10 per cent of the total.

The distribution of the amounts recommended is shown

in more detail in the following table:.

Mutual Security Program, 1953

(in millions)

	Direct Military	Defense Support	Economic and Technical	Adminis- tration	Grand Totals
Europe	4,870	1,619 (1)			5,889
Near East and Africa	406		196		602
Asia and the Pacific	611		608 (2)		1,019
American Republics	62		22		84
Multilateral Technical Assistance, Migration, and Relief Package Freight			30		30
Administration				75	75
TOTAL	5,350 (3)	1,619	654	75	7,800 (3)

- (1) Includes economic assistance for Austria
 (2) Includes assistance to support military efforts in Southeast Asia and the Pacific
 (3) Columns do not add to totals because of rounding

In the Mutual Security Act of 1951, the Congress provided for an integrated program, administered by appropriate operating agencies under the general direction of the Director for Mutual Security. These arrangements are working well, and I recommend that they be continued. Under them, direct military aid will be administered by the Department of Defense. The Mutual Security Agency will administer defense support in Europe, together with technical and economic assistance in Southeast Asia and the Pacific. In South Asia, the Near East, Latin America, and the independent states of Africa, economic and technical assistance will be administered by the Technical Cooperation Administration of the Department of State.

We shall continue our policy of closely coordinating the Mutual Security Program with the technical assistance programs of the Organization of American States and the United Nations and its agencies, such as the Food and Agriculture Organization and the World Health Organization. In addition, we shall continue to encourage, to the maximum extent possible, the investment of private capital for economic development abroad, and we shall continue to relate widely under the Mutual Security Program to the loans being made by the Export-Import Bank and the International Bank for Reconstruction and Development.

Today, the problem of achieving security and strength is free Europe, in my judgment, is on the way to solution. The last five years have accorded remarkable gains as a result of action we have taken under our policy of peace through collective strength -- first in Greece and Turkey; then, in 1948, through the European Recovery Program, and since 1949 through the growing defensive power of the North Atlantic Treaty Organization. The American contribution did not of itself create these gains; but it did supply the essential margin without which the Europeans could not have fought their way out of their post-war slump and despair.

Five years ago, many European nations were on the verge of economic or political collapse. A divided and despairing continent -- next to our own, the most productive and industrially powerful in the world -- lay open for Soviet conquest.

How different the picture is today. Europe has now achieved advances -- in economic output, in military strength, in political self-confidence, in progress toward unity. Today, the Soviet Union knows that it cannot achieve its purposes in Europe, as long as the policy of collective strength continues.

Europe still has far to go. Economic health and vitality in Europe require a series of specific actions -- varying from country to country -- to raise industrial and agricultural productivity, to break down trade barriers and exchange restrictions, and to encourage the vigorous forces of competition in European and world markets. They require further progress toward the democratic goals of a fair distribution of income, strong and free trade unions, fair and effective tax systems, and progress of land reform.

Above all, we in the United States do not believe that Western Europe can achieve its full strength without accelerated progress toward unity. Only this unity can release the great potential energy of free Europe. We still continue in every way we can to encourage its attainment.

The difficulties are very great. It is only a small step to report that progress in this direction has not always been as fast as we hoped. Yet, in many respects the progress has been most impressive.

A revolution has been taking place in European thinking. The Organization for European Economic Cooperation and the European Payments Union have laid foundations for joint action in the economic and financial fields. In the Schuman Plan, six countries are creating an international authority for the production and distribution of coal and steel. Under the European Defense Community, the same six countries are planning to establish common armed forces, a common defense ministry, and a common military budget.

Europe has moved faster toward integration in the last five years than it did in the previous five hundred. At every stage in this movement, the United States has provided encouragement and support. If this progress continues in the next five years -- and I am confident it will -- a new Europe will emerge as a great and creative partner in the defense of freedom.

It is this progress toward European economic recovery and political unity which makes possible a growing defense effort in Western Europe. The building of military strength there since the signing of the North Atlantic Treaty has been very encouraging. In the coming fiscal year, European military expenditures will be considerable; more than twice as large as they were in the year preceding the communist aggression in Korea. Production of military material in Western Europe has multiplied about two times in that period. The Europeans will no longer be the training grounds under

their compulsory military service programs and have substantially enlarged and improved their armed forces. The pace of the military build-up has given many millions of Europeans new confidence in their capacity to resist aggression.

This is an impressive record of progress. Of course, the record is far from perfect -- especially in view of the urgency of the threat posed by aggressive Soviet imperialism. We can find many specific weaknesses and shortcomings to criticize -- and some people in our country frame their criticism exclusively on such things -- to advocate that the defense of Europe be abandoned. I do not wish to minimize the shortcomings, but the fundamental question is not in: "Are we moving in a substantial rate in the right direction? Is real progress being made?" The answer is obvious. So is the conclusion to be drawn. The record abundantly warrants confidence in our European allies, and our continued steadfast support for them.

Two weeks ago, at Lisbon, the member nations took the most far-reaching strides in European defense since the adoption of the North Atlantic Treaty itself in 1949. The North Atlantic Council at Lisbon endorsed the possible ways through which the forces of the European Defense Community -- including German contingents -- will be organized and tied into General Eisenhower's command. After months of planning by the special committee under the chairmanship of Mr. Harbo, the Council made specific and concrete decisions providing for the more rapid build-up of forces and for the provision of the necessary equipment and construction to support them.

By the end of this calendar year, General Eisenhower's command is expected to have at its disposal a formidable force -- including some 50 army divisions, about half of them on active duty, and some 4,000 military planes -- and a sound basis for further build-up in 1953 and 1954. These forces, joined by those of Greece and Turkey, will bring within measurable distance the time when even the most feverish arm in the Kremlin will not dare risk open attack.

In order to equip the forces being raised by our allies under the Lisbon agreements, we as well as they must step up our efforts. There have been delays in our own production and delivery of space and combat requirements for forces here, of course, we've asked top priority for deliveries from our current output. I am assured that production is now being accelerated substantially, and I have consequently directed that deliveries to the North Atlantic Treaty defense forces be greatly speeded up.

The recovery effort has also created problems in Europe. The European economy, after its extraordinary setback in the years of the European Recovery Program, has now been subjected to cost and wage pressures. The Marshall Plan was designed to help restore European economic health, not to produce a surplus capable of financing military forces adequate for European defense. Today, not only has government imposed a heavy fiscal burden, but the global consequences of disarmament -- including rises in the prices both of raw materials generally and of finished goods from the United States -- have drastically upset the European balance of payments. Substantial and sustained efforts will be necessary to meet these problems, even with our help.

Worse, the European countries have a sizable capacity to increase their armed forces, to construct military bases and facilities, and to produce military equipment and supplies -- if we provide the crucial amount of raw materials and other support for their defense efforts. If we provide this margin of resources, the European countries will be able to produce far more military equipment than they otherwise could, and to produce far larger armed forces than would otherwise be possible. Our defense support will allow them to use planes, machinery, materials and

weapons which exist in Europe, but which otherwise could not be devoted to defense purposes. For this reason, our defense support is an extremely economical way to achieve military strength for our mutual security. The funds included in the Mutual Security Program for defense support will yield, according to the best estimates, more than twice as much military strength in Europe as would the same funds spent for the direct transfer of military equipment from the United States.

Accordingly, the Mutual Security Program for Europe is planned so that the United States will provide both weapons and defense support. The form of assistance -- whether military equipment or assistance in financing imports of raw materials and other items where required to make possible the necessary level of European defense efforts -- has been decided in each case on the basis of which form produces the most results in defensive strength at the least cost.

In addition to the funds for the North Atlantic Treaty countries and Western Germany, limited amounts are included in the Mutual Security Program for Yugoslavia, whose defiance of the Soviet Union is giving heart to untold millions behind the Iron Curtain, for Austria, where continued economic assistance is necessary to maintain economic stability in the face of occupation of part of the country by Soviet forces; and for facilitating emigration from Europe under international arrangements. We are just now completing arrangements with Spain which will assist in the defense of the Mediterranean area, our part in these arrangements will be carried forward with funds already made available by the Congress.

ASIA, AFRICA, and LATIN AMERICA

Outside of Europe, our policy of building collective strength for peace must meet and overcome a very different range of problems. The most serious problems of Asia, Africa and Latin America occur in the underdeveloped areas -- the areas which have not yet shared to the benefits of the burst of scientific and technical advance of the last two centuries.

The people of many of these areas confront the legacy of centuries of neglect -- they are in many cases desperately poor, defenseless before famine and disease, disabled by illiteracy. At the same time, they have a new and burning determination to improve their living standards, to fulfill their desire for self-government, to control their own futures. As old social structures have failed to meet the basic needs of these peoples, the popular energy, so long pent up, is bursting forth in fierce nationalism and in fierce demands for real economic change.

These conditions would exist even if there were no Soviet threat to world peace. But the pressure of Soviet expansion, working overtime to exploit the turbulence of the underdeveloped areas, greatly increases the necessity for speed in creating these conditions -- speed in the interest, not alone of orderly and democratic development, but of the security of the whole free world.

As a nation born in a struggle for individual freedom, we cordially welcome the aspirations of people to free themselves from oppression and slavery. To place ourselves wholeheartedly at their side, we must work with them in their struggle against poverty and famine and illiteracy and disease. In the Point Four concept, we have a means of joining hands with the constructive forces of these areas before bitterness and frustration drive them into a fatal alliance with Soviet expansion.

Point Four means making our scientific advances and technical know-how available for the improvement and growth of underdeveloped areas. Point Four means technical missionaries at work, and it also means the supplies and equipment that are needed to put new techniques into effect.

We can should think that Point Four involves some single formula or program which is to be applied everywhere, in equal measure, throughout the under-developed regions of the world. The kinds of aid we plan must be tailored both to suit the needs at any given time and to the specific situation in each country. Our experience in Latin America has demonstrated that Point Four operations, to be successful, must be supported by adequate supplies and equipment. The supplies and equipment can be financed in various ways.

Some countries can attract private investment capital and loans to finance most of their outlay for economic development. Other countries can earn enough dollars from their own exports to finance most of the equipment and supplies they need. In still other countries, where neither loans nor private capital can meet the need, this Government must provide substantial quantities of supplies and equipment to enable real progress in vital programs for development. That is the direction we are taking in India today, and in other places where the need is particularly urgent and where the local plans are firm enough to produce a sound result.

Today, we have technical and economic missions in 40 countries. The shirtless diplomats of Point Four are carrying the atom-age revolution to the villages and farms of the world. They are providing farmers with better seed and better fertilizers, better methods of plowing and sowing and better means of harvesting and storing the crops. They are helping to fight malaria and dysentery, trachoma and rinderpest. They are providing training in the techniques of modern government. They are helping to build roads and canals and dams, schools and hospitals. They are teaching people to read, to fertilize the soil, to irrigate it, to drain it. In short, they are teaching people by words and deeds to change their own world without bloodshed.

The funds we invest in Point Four will yield direct and immediate results in terms of larger food production, better communications, more agricultural and health specialists, engineers, and other technicians. But even more important are the longer term results. For the magic of this work is its multiplying effect: if we can help train ten teachers, they can train hundreds of students; if we can help set up ten demonstration farms, hundreds of farmers can come and learn to use our methods; if we can help drill a hundred new wells or build a new irrigative dam, thousands of farmers too increase their yields and place their earnings into further improvement. In this way, a relatively small investment can bring immense results.

In one district in India, the production of food has already been increased 46 percent. Repeat this across the continents of Asia and Africa and Latin America, and we enter a new era in the history of man.

The Near East and Africa

The Near East presents a sharp challenge to American statesmanship. The countries of these areas are of vital importance to the security of the free world, but the problems of achieving economic and orderly development are extremely difficult.

Living standards are generally very low. Transportation and land tenure systems are often archaic. Political and religious controversies abound throughout the region. Nationalism is sometimes misdirected into fanatical outbreaks which ignore the benefits to be gained from international cooperation. The communities are doing their best to stave off confusion and trouble.

Most of these problems can only be solved by the people of these countries finding ways to make solid progress in developing economic strength and effective free institutions. But we can and must help them.

We can help dig wells for irrigation and clean water in Iraq and Iran. We can help set up farm credit institutions and agricultural extension services in Lebanon and Liberia. We can help build roads and establish public health services in Israel. We can help build up school and hospital services in countries throughout the area. For projects of this type, I recommend economic and technical assistance in this area (including help for the Arab refugees) of 195 million dollars.

Military assistance for nations in this area is recommended in the amount of 605 million dollars. Most of these funds are for Greece and Turkey, whose military assistance programs are carried under the heading of the Near East; defense support funds for these countries are included with those for Europe.

To help in maintaining security in the Near East, the United States has joined with Turkey, France, Great Britain, and three Commonwealth countries in proposing the establishment of a Middle East Command. We hope this Command will become the center of cooperative efforts by all countries concerned for the defense of the region as a whole from outside aggression.

Asia and the Pacific

Both of Asia's ends are under communist attack. The free nations are holding the line against aggression in Korea and Indo-China, and are battling communist-inspired disorders in Burma, Malaya, and the Philippines. The loss of any of these countries would mean the loss of command for millions of people, the loss of vital raw materials, the loss of points of critical strategic importance to the free world.

The Mutual Security Program for this area includes military assistance in the amount of 611 million dollars, and economic and technical assistance of 108 million dollars, some of which will contribute directly to the defense programs of certain countries of Southeast Asia.

Of our military assistance, a large part will go to Indo-China where the troops of the French Union and of the Associated States are battling valiantly against the communist-led forces, and another large part will go to continue to help prepare the Chinese armies on Formosa to resist communist aggression. The rest will go to the Philippines and Thailand, to help build forces strong enough to insure internal security.

As in the Near East and Africa, however, security in Asia is far more than a military problem. Our Military Assistance is essential to check the encroachments of communist imperialism. But the long-run promise of stability and progress lies not alone in arm, but in the provision of sufficient economic and technical support to enable the peoples of Asia to conquer their old, deep-seated and agonizing economic problems and to share in the benefits of an expanding world economy.

In India, for example, the key to economic progress lies in boosting food production. This is the only way to remove the constant threat of famine and ease the desperate struggle for a daily livelihood. It is the only way of freeing India now spent to import food, so they can be used instead for productive investment in developing natural resources, transportation, and industry.

The whole future of India as a free nation may well lie in her ability to raise her food production and do it quickly.

We most support India's own efforts to get this done. The Indian Government has already set in motion a plan under which, in a very few years, she will be able to grow the food needed by her people, and will have established a sound basis for further economic development. It is a good plan, practical and definite. India itself is financing most of it, and we are greatly stepping up our aid for this plan with confidence that the sums we spend will bring concrete results.

This is an example of how our aid can produce large-scale results by supporting the efforts of the people of the Asian countries. In the same way, we are helping to expand irrigation in Pakistan, to eliminate malaria in Thailand, to increase rice yields in Burma.

It is vital that this work be carried forward rapidly. For in this region, there is still time to set in motion programs which will tap the energies of the people and give them solid hope for advancement under governments determined to resist communist expansion. We must not let this opportunity go by default. Let it never be said of the American people that our eyes are focused only on what might have been -- that we grow concerned about the economies of Asia only after they have been lost to the enemy. The bold and wise investment of American funds in this region in the next few years can make a vital difference to the future of freedom.

Special note should be taken of the contribution that the new, free Japan can make to the growth of economic strength in Asia. A growing trade partnership of Japan with Southeast and South Asia can benefit everyone concerned. Such a partnership in free Asia can result in a self-supporting, expanding regional economy, free of permanent dependence on United States economic aid and free from the danger of satellite slavery under the Soviet orbit.

Latin America

I do not need to restate here the tremendous importance of Latin America. Its governments and its people are joined with us in the Organization of American States and the Rio Treaty to bolster the security of the free world. It is a most important source of vital raw materials, and it carries on with us a large and mutually advantageous trade. In case of emergency, its military forces can partially relieve ours of some of the important tasks connected with hemisphere defense.

In order to assist hemisphere defense, I am recommending military assistance of 62 million dollars for the Latin American countries. In addition, I recommend 23 million dollars to carry forward the remarkable technical cooperation work now under way in sixteen Latin American states to develop agriculture and natural resources, education, health, transportation, and other fundamental services. This includes 1 million dollars for our share of the technical cooperation work of the Organization of American States. This assistance -- supplemented as it is by substantial amounts of private loans and investments and public loans through the Export-Import Bank and the International Bank -- has already helped materially to raise living standards, speed economic development, and reduce vulnerability to undemocratic movements of the extreme right or the extreme left.

The policy of the good neighbor has thus one of our most successful partners; we need not falter in our loyalty to that policy today.

The major national security program I am recommending for the fiscal year 1953, including the Mutual Security Program, totals about 64 billion dollars. This request raises once again the question whether the American nation can afford so much money

for national security. This is a serious question. It requires a serious answer.

Certainly the total security program -- of which the Mutual Security Program is a relatively small part -- is by any standard a large one. It has resulted in some unavoidable economic dislocations and inflationary pressures. Yet, the burden has been carried with remarkably little strain.

The fundamental reason for this is that our national production has been expanding rapidly, and will continue to rise. Security expenditures, measured in 1951 prices, rose about 18 billion dollars from 1950 to 1951; but the increase in our national output was even larger -- totaling about 26 billion dollars. During the next two years, we can continue to raise output by not less than 5 percent annually, increasing the gross national product (at 1951 prices) to about 340-345 billion dollars in 1952, and to about 355-360 billion in 1953, compared with 327 billion in 1951 and 301 billion in 1950. If output rises at this rate, we will have increased our total annual production about one-fifth in three years. Even with the immense diversion to security purposes, production should be high enough, by the beginning of 1953, to permit total civilian consumption and capital investment at least 50 percent higher than during World War II.

There will certainly be cutbacks in some things. Yet, even if automobile production should drop to around 4 million units this year, it must be remembered that this is only slightly less than the average production of 1948 and 1949. If housing should dip below one million units, it must be remembered that we have succeeded in producing more than one million units per year in only three years of our history. And as we expand our output of vital materials such as steel and aluminum, we can again increase the output of such civilian items.

All in all, our present security expenditures are closely within our economic capacity. And as our basic productive strength continues to increase in the years ahead, we should be able to carry out easily the substantial security costs which may continue to be necessary.

Let us consider for a moment the costs of possible alternatives to our present policy.

The alternative of premeditated and deliberate war is one which no democratic or God-fearing people can for a moment entertain. Even if we were insane enough to consider it, however, it would obviously entail expenditures immensely greater than our present ones, not to speak of the terrible waste and destruction of human life, property, and natural resources.

Another alternative -- of contracting our commitments and withdrawing to the Western Hemisphere -- has a secondary attractiveness, because it would seem to relieve us of the contributions we are now making to collective defense. But, in fact, if we followed the policy of retreat, we would have to try to replace the contributions to our security which now come from the cooperation of our allies. We could not replace some of these contributions at any cost; others only at very high cost, and just in money, resources and military manpower, but in the precious political and economic freedoms we are unwilling to forfeit.

The policy of retreat would deprive us of armed forces which, if called upon to fight for the defense of these one continents, would at the same time be fighting for the defense of ours. It would deprive us of essential raw materials. It would impose upon us a much higher level of mobilization than we have today. It would require a stringent and comprehensive system of allocation and rationing in order to husband our smaller resources. It would

require us to become a garrison state, and to impose upon ourselves a system of centralized regimentation unlike anything we have ever known.

In the end, when the money, encouraged by our retreat, began to aggrandise the rest of the world against us, we would face the prospect of bloody battle -- and on our own shores. The ultimate costs of such a policy would be incalculable. Its adoption would be a suicide for national suicide.

I am asking the Congress for 3.9 billion dollars for the Mutual Security Program -- an amount which will bring returns on other policy could hope to produce on economically.

I am deeply convinced, after studying the matter carefully, that if there is any question about this amount, it is not whether it is too large, but whether it is too small.

These funds are needed, all of them, to pay for essential parts of the total undertaking to help free nations build adequate national defenses. If the military assistance funds are reduced, this will mean a corresponding reduction in the effective combat forces which can be created in Europe and Asia, and a serious shortening of the time-table for achieving adequate defenses. If the defense support funds are reduced, it will mean that our partners in this endeavor will be unable to raise and train the scheduled forces or unable to expand their own military production as planned. If covert and technical funds are reduced, there will be a corresponding reduction in what we can do to help hemispheres in Asia, the Near East, Africa, and Latin America to strengthen themselves, and a correspondingly greater danger of those areas falling to communist aggression or subversion.

I would not counsel the Congress to spend one dollar more than is necessary to support our policy of peace. But there is an economy more fatal than that which is summed up in the fragile phrase, "Don't waste it and run late." Such a policy risks the loss of an investment as efficient as any objective. It would be foolish and dangerous to withhold a dollar now at the risk of expending, not just many times its value dollars, but human lives as well, a few years later.

The question is frequently -- and properly -- asked: How long are we going to have to continue this type of program? I cannot -- for one -- give an answer in terms of a specific month and year. But I can say that one of the central purposes in everything we are doing under the Mutual Security Program is to build strength which will eliminate the need for assistance from the United States.

This is not a program for carrying the rest of the world on our backs. This is a program for getting the other free nations on their own feet, so they can move ahead without special help from us on any scale.

As the Mutual Security Program moves ahead -- as larger military forces become equipped and trained, as economic strength continues to increase -- we can expect the costs to the United States to decline. This is not only our own desire; it is also the natural hope and objective of the people of other countries. Free people do not relish dependence on other nations. They wish to achieve as rapidly as possible the economic health and vigor which will enable them to sustain their own programs of defense and

economic progress. The Mutual Security Program will hasten the day when this will become possible.

History has thrust a fearful responsibility upon the United States. Today, the survival of freedom and civilization on this earth may depend on the initiative and decisions taken in our own Nation's capital. The free people look to us for leadership. Leadership implies more than a recognition of the problem. It implies also a capacity to work out a joint solution with our partners, and to stay with it till the goal. It implies resolution and fortitude. We have shown that we understand the threat. Our eyes are fastened whether or not we will stay the course until we achieve peace in a free world.

I am not in doubt. I know that we shall succeed. It is perhaps true that our history has been characterized by impetuosity, by a passion for quick results. It is equally true, however, that it has also been characterized by perseverance and determination -- the perseverance of the planner, making his stand at bay into the unknown West; the determination of the farmer and worker, transforming a savage wilderness into the strongest and most productive nation known to history. Perseverance and determination, steadfastness and dependability -- it was these qualities, and not cockiness or ignorance, which built America. It is our obligation to turn these qualities outward. We must show the world that we can avert any crisis, and that temporary frustrations will not drive us to reckless aggression or to ignominious retreat. This is the challenge of free world leadership.

In the last analysis, our leadership must stand or fall on the moral power behind it. No nation, of course, can undertake policies which are not squarely and solidly based on national self-interest. But world leadership in these perilous times calls for policies which, while springing from self-interest, transcend it -- policies which serve as a bridge between our own national objectives and the needs and aspirations of other free people.

I deeply believe that the Mutual Security Program is an expression of a new spirit in the world -- a spirit based on faith in democracy and human decency, and looking to a new collaboration among nations and peoples. It expresses the deep reality of our friendship for other peoples -- the sincerity of our determination to join with them in building a world where freedom, justice and security will exist for all.

HARRY S. TRUMAN

THE WHITE HOUSE,

March 6, 1952.

CONFIDENTIAL: The following address of the President on the Mutual Security Program, to be broadcast from his office in the White House, is for automatic release at 10:30 a.m., E.S.T., Thursday, March 6, 1952. No portion, synopsis, or introduction may be published or broadcast before that time.

PLEASE GUARD AGAINST PREMATURE PUBLICATION OR ANNOUNCEMENT.

JOSEPH ROOSE
Secretary to the President

I want to talk to you tonight about a message I sent to the Congress today. I hope you will read that message. It's about the Mutual Security Program and it is very important to you.

The Mutual Security Program is just what the name says. It is a way to get security -- security against aggression and war -- through mutual effort, through the effort of many nations helping one another. This Program is already in effect and it is working successfully.

The present authority for the Mutual Security Program will expire on June the thirtieth of this year. Today, I asked the Congress for authority to continue the Program for another year.

The action the Congress takes on this request has a great deal to do with our chances of avoiding another world war. It may make the difference between life and death for many of you who are listening to me tonight.

There is no more the best guarantee we can give our people against another world war is to stick together with our friends. Together, we cannot be conquered. The Soviet Union cannot achieve its dream of world domination unless it attacks all the free nations one by one. The Soviet policy is the old one: divide and conquer. Our policy is an old one, too: in unity there is strength.

There are still some people in this country who are so afraid they won't see this. They try to tell us we ought to confine ourselves to building up our own defenses here at home so we can retreat behind them if trouble comes. That's the way it's been safe, they say. And now, away we go one time. Well, that's wrong on both counts. They're not preventing a low-cost plan for national security. They are trying to sell a high-cost plan for national insecurity. And I don't think the people of this country are going to buy it.

Why, it's as plain as the sun in front of your door that we cannot cut ourselves off from the rest of the world. It takes a lot of things to make a automobile. It takes steel and aluminum and copper and glass and lead. We cannot produce all of these things out of our own resources. We have to import every bit of our chrome, two-thirds of our aluminum ore, over half our lead, and more than a third of our copper and zinc. It takes about 18 pounds of manganese to make the steel that goes into the average automobile. Do you know how much of that 18 pounds we produce in this country? We produce just about one pound. And it works the same way when it comes to making a tank, or an airplane, or an aircraft carrier. We have to have materials from abroad.

Now, think one fact, and in the light of these facts, I challenge anyone to tell us how this country is going to defend itself if we abandon our allies and hold up on this continent. It is just plain common sense. And if we tried to do it -- we would have

is not our selfish requirements in the home, we would have to raise huge armed forces to try to protect our shores against all comers, and we would have to clamp on controls that would make anything we've even so far look pale. Instead of saving money, we would have to spend many times more than we do now, to make up for the loss of materials and armed forces we now get from our allies. What is worse, we would still not be secure.

Now, nobody is saying that we must take over the defense of the free world all by ourselves. That would be just as foolish as trying to get along without any friends at all. We can't defend the whole world by ourselves. We shouldn't try, and we aren't trying. But surely it is in our own self-interest to help our friends defend themselves, because by defending themselves they are also defending us.

That is what we have been doing since 1947. That is the way we have been blocking the Kremlin's conspiracy to undermine and take over the free continent around the world. And we have had a lot of success in this great effort.

We have put a lot into this struggle. It has called for American troops and arms in Europe, and American fleets on the seas, and American bases in foreign lands, and a hard, bitter conflict in Korea.

Our allies are putting a lot into the struggle, too. We ask they together have made a great deal of headway in building a solid system for our mutual defense.

Just in this last year we have made great strides in material in this system of defense, both in the Atlantic and the Pacific areas. The agreement that was made two weeks ago at Lisbon to establish a European Army represents one of the greatest advances toward European unity that we have made.

This great defense system -- on both sides of the globe -- will work if the nations in it have the arm and forces to fill it out. And these armed forces have to have the weapons and the equipment they need to be effective.

These are the purposes of this Mutual Security Program -- to get weapons and equipment into the hands of our allies, and to help our friends build up their economic strength so they can stand on their own feet as full partners in the cause of freedom.

Our contributions will take different forms, depending on the nature of the need and the nature of the threat. The Mutual Security Program, as I announced it to the Congress today, contains three types of contributions.

To begin with, there is the contribution of straight military equipment and arms to help other nations defend themselves -- and thereby to help defend us. Of the funds I have asked for, over \$5,000,000,000 -- more than two-thirds of the total -- will go for these military items, because the largest gap in the free world's strength at present time is the actual weapons needed for defense.

The second type of contribution consists of raw materials, commodities and machinery needed to support the military effort. For example, we might send steel to help another country make its own guns instead of sending it the finished weapons. This is one example of what we call "defense support," for which I am asking \$1,700,000,000. These funds will enable our friends in Western Europe to produce more military equipment and maintain larger armed forces. Our support for their defense efforts will hasten the day when they are able to defend themselves without our help.

Some people say we should not send our partners such things as raw materials and machinery. They make a great point of saying this is where we can recover. They claim we can save money by sending

our partners only things that shoot. ~~Some~~ These people don't realize
in that they would not be saving money at all. On the contrary,
it would cost us more money.

Because if we don't ~~sue~~ ~~at~~ possible for other nations
to increase their own defense efforts, we would have to send more
arms less our own production, and that would cost us a great deal
more.

There is a third kind of contribution we are making to
attain mutual security. There are parts of the world where peace
can do a better job in maintaining stability and democracy than tanks
and warplanes and machine guns. There the communist takes his bid for
power not as a conqueror, but as the giver of a friend offering us aid
in the torments of famine and disease. We know the communist promises
are false; but to should be ridiculous to go to the peoples of Asia,
Africa and the Near East and say "There are guns, and there to drive
away the men who are promising you what you have always wanted." ~~Such~~
Soviet communism cannot be halted with weapons of war. We must meet
the challenge with more appropriate means. That is what the Fourth
Point program does.

The people of the underdeveloped countries are hungry. We
can show them how to grow more food. They are sick. We can show
them how they may be healed. Their countries are rich in resources,
but their people are very poor. We can show them how to use their
resources in a way that will raise their standards of living. This
is the first line of defense against communism in those areas of
the world.

I have therefore included in my message to Congress a
request for some \$600,000,000 in economic and technical assistance.
It is only a fraction of the amount I have asked for military
purposes, but who can say that in the long run it may not have a
greater effect?

The victories that can be won in this battle with a
relatively small amount of assistance on our part are fantastic.
I'd like to give you some examples of what we have done to show
what we can do.

Over in Indo-China, the rice bowl of that unhappy land is
the Red River Valley. Since the war in Indo-China, the Red River
Valley hasn't been able to produce the rice it should because the
irrigation of the district depends on electricity to operate its
pumps, and the power lines run through territory held by the Communists
who, of course, cut them. So, Harold E. Schwartz, one of our technical
advisers from South Dakota, has some diesel engines brought in to pump
the water. Today, 15,000 Indo-Chinese have 25 thousand acres of rice
they didn't have last year. This project only cost us \$75,000. But
one rice crop from this area will be worth ten million dollars. Now
there's an example of how a little ingenuity and a small outlay of
funds can produce results on a big scale.

Another example is in Turkey, where a veritable agricultural
revolution is being brought about with the help of a team of 9
American experts led by Elmer Storch, of Lincoln, Nebraska. In
three years, Turkey has raised its grain production by over 50 per
cent and has tripled its cotton production.

Now let us look too a little at India. Since the shadow
of communist control has threatened China, India stands as the largest
democratic nation in all Asia. But India is beset with the same kind
of threat which overpowered the Chinese. We have a chance to help
stop that threat to India. Not by sending guns and planes, but by
doing just the kind of thing I've been telling you about.

The first, essential step in India is to boost food output
so there won't be any more famines, and daily living won't be so hard
for people as it is now. The Indian Government has a concrete plan to
get this done. They are moving right ahead on it. and we are backing
them up with technical assistance and fertilizer and supplies for
irrigation projects, tube wells, and the like. Already, progress has

been set up to bring Point Four help to 15,000 villages. These projects will bring modern methods to three million farms. They will make available on a large scale the marvelous results that have been achieved by one of our agricultural experts, Horace Holmes of Tennessee, in working with the Indian farmers. They will attack disease, illiteracy, and poverty where they must be attacked, at the village grass roots.

All these things I've been telling you about are part of the Mutual Security Program. These are its three interrelated parts: first, direct military assistance, which is the largest part right now; second, the contributions we make to support the defense efforts of other nations; and, third, our programs of economic and technical assistance.

This is not a program to carry the world on our shoulders. It is a program to make it possible for the world to stand on its own feet.

I think our money is well spent on a program like that. It's the cheapest and most effective way to achieve security. But that's not these among us who say we can't afford it. We've heard that one before. They are the same people who have been saying "We can't afford it" to every worthwhile thing this Nation has undertaken in the last twenty years. If they had been right, we would be bankrupt now. But they weren't right and we aren't bankrupt.

Then, there are others, both in Congress and out, who are saying, "Sure, I'm all for the Mutual Security Program. It's a fine thing, and we must support it. But we'll have to cut it by several billion dollars."

Now I know this is a very popular point of view, especially in an election year — just as popular as a campaign pledge to reduce taxes. But I think most of you will agree with me that we'd be better off to win the fight against communism than to win any particular election.

The figure of \$7,500,000,000 that I am recommending was not just taken out of the air. It is the result of many months of careful study. I would not recommend that the Congress spend a single dollar more than our national security requires. Neither would I recommend spending a single dollar less than our security requires. I am convinced that we cannot afford the policy of "too little and too late." The risks in such a policy are too great.

The cost of the entire Mutual Security Program I have recommended is less than two and a half percent of our national output. And this country is turning its output by something like five percent a year. We can afford this Program.

No, the real threat to our security isn't the danger of bankruptcy. It's the danger of communist aggression. If communism is allowed to attack the free nations, one by one, then we would be isolated from our sources of supply and detached from our friends. Then we would have to take defense measures that might really bankrupt our economy and change our way of life so that we wouldn't recognize it as American any longer. That's the very thing we're trying to keep from happening. It doesn't have to happen. It won't happen if we stand together with our friends.

The essence of this whole effort is that it's a joint effort. We do our part, others do theirs. You may hear the critics saying that we are doing more than our share, and that our allies are not doing theirs. It is no secret that we are continually urging our allies to do more, but that does not mean they are not already doing a great deal. They are. And they're making real sacrifices.

Take the British. They're down to 16 cents worth of meat a week. That makes a mighty small package when the butcher wraps

ll up. They would have more if ll weren't for their defense effort. Do you think we ought to ask them to get that 16 cents worth of meat a week down to a dime's worth-- or a nickel's worth? Do they have to do that to do their share? Would you want to tell them that they ought to spend less than 16 cents a week on meat?

The real question we ought to ask about our allies are these: Do they work hard in the common cause, and Are they moving in the right direction? I think we can say yes to both questions. During the last two years, our European allies have doubled their defense budgets. They have more than tripled their military production. They have lengthened their periods of compulsory military service. The number of European divisions available to General Eisenhower has already more than doubled.

We have good allies, and they have not failed us. Some people ask: "Will they fight?" Look at the Greeks and the Turks. They fight. The French are spending their blood and their treasure in Indo-China. The British are fighting communism in the jungles of Malaya. And in Europe itself, where we have the major burden, our allies have joined us with what they can provide. We have good and gallant friends at our side, and they will be there if the test comes.

What I have been trying to say to you tonight is this: We and the other nations who are ranged beside us have not our feet upon the right road. The Mutual Security Program, in conjunction with our efforts to build up our own forces, is the best and shortest way to assure our security. It is a carefully thought-out plan of action to meet the challenge -- not only the challenge of Soviet Russia but the challenge of the times.

The Mutual Security Program has already made solid achievements. We are not losing, we are winning our fight. We would be foolish from our own point of view and guilty in the eyes of history if we were to stop now.

The Program I recommended to the Congress today is a reality. If we are going to block the plans of the Soviet rulers to dominate the world, win no mistake about it -- this is the way we can strike the hardest blow against Russian communism.

That is why the action the Congress takes on my recommendations is going to mean so much to you and to me -- to every American. I want you to understand this well, so you will know who it is that just talks against the communists and who it is that actually votes against them when the roll is called in the Senate and the House of Representatives.

It is awfully easy to "demagogue" in favor of economy and against what is scornfully referred to as "foreign aid". Congressional action on our Mutual Security Program will be a real test of statesmanship.

If the Congress meets this test, it is in our power to leave our children the most priceless legacy of all -- a peaceful world and a better life. History has given us this responsibility and this opportunity.

God grant that we may have the courage and the strength to do our duty.

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
Washington 25, D. C.

March 18, 1952

Report to the President

Subject: Continuation after June 30, 1951, of powers, functions,
and responsibilities established by the Economic
Cooperation Act of 1948, and other laws

I. Introduction and Recommendations

Introduction

Section 500(e) of the Mutual Security Act of 1951 provides
as follows:

"Not later than April 1, 1952, the President shall
inform the Committee on Foreign Relations of the Senate
and the Committee on Foreign Affairs of the House of
Representatives which of the powers, functions, and
responsibilities transferred to the Director by sub-
section (b)(1) are found by the President to be necessary
to enable the Director after June 30, 1952, to carry out
the duties conferred upon him by section 501. The
termination provisions of section 123 of the Economic
Cooperation Act of 1948, as amended, shall come into
effect on June 30, 1952, and none of the powers, functions,
and responsibilities conferred by that Act shall be
exercised after that date, except those powers, functions,
and responsibilities found necessary to enable the Director
to carry out the duties conferred on him by section 501
of this Act, which powers, functions, and responsibilities
unless otherwise provided by law shall continue in
effect until June 30, 1954."

Section 501 provides:

"After June 30, 1951, the Director, on behalf of the
President and subject to his direction, shall, in consulta-
tion with the Secretary of State and Defense, continue
to have primary responsibility for --

"(a) the development and administration of programs
of assistance designed to sustain and increase military
effort, including production, construction, equipment and
material to each country or to groups of countries which
receive United States military assistance;

"(b) the provision of such equipment, materials,
communications, services, financial, or other assistance as
he finds to be necessary for carrying out mutual defense
programs; and

"(c) the provision of limited economic assistance
to foreign nations for which the United States has
responsibility on a basis of participation in joint
control arrangements when the President finds that the
provision of such economic assistance is in the
interest of the security of the United States."

The Bureau of the Budget has examined the current and
prospective programs and operations of the Mutual Security
Agency to ascertain which of the various powers, functions
and responsibilities established by the Economic Cooperation

(221)

Act of 1948, as amended, and related laws are necessary for the Director for Mutual Security to carry out after June 30, 1952, the responsibilities enumerated in section 503 of the Mutual Security Act of 1951. The following recommendations are concerned in by the Director for Mutual Security, the Secretary of State, and the Secretary of Defense.

Recommendation

It is recommended that the various powers, functions, and responsibilities previously vested in the Economic Cooperation Administrator and transferred to the Director by the Mutual Security Act, except for those under below, be continued after June 30, 1952. The Bureau of the Budget has concluded that, although the purposes to which assistance is being directed have changed under the mutual security program, the major functions authorized under the Economic Cooperation Act must be utilized to accomplish the new goals.

The powers of the China Aid Act of 1948 and the China Area Aid Act of 1950 also will be needed by the Director after June 30, 1952, to carry out his responsibilities.

The Mutual Security Agency already has adjusted many of its operations and recent some of its functions in order to fulfill its new assignment. The performance of many of the functions which must be continued may be further modified. However, the following powers, functions, and responsibilities established by the Economic Cooperation Act do not appear to be necessary to enable the Director to carry out his duties after June 30: to create a corporation (section 104(4)); to furnish informational media guarantees (section 111(b)(3)); to promote travel by United States citizens in participating countries (section 117(b)); to pay ocean freight charges of relief packages and supplies (section 117(c)); to promote procurement and increased production in participating providers of materials in which the United States is deficient (sections 115(1) and 117(a)); to consult with the Secretary of State in the specific manner prescribed in section 105; and to participate in the consultation procedure between the chief of the special mission and the chief of the United States diplomatic mission in the specific manner prescribed in section 109(b).

II. Discussion

A. Purposes of Economic Assistance under the Mutual Security Act

By the middle of 1950, the goals of the European Recovery Program in many instances had been substantially achieved. Under new legislation, a start had been made to extend assistance by the United States to countries in the general area of China. The communist aggression in Korea that year, however, forced the free world to accept the additional burden of intensifying preparation to defend against other communist-armed threats. It was recognized, therefore, that our economic aid should be used to support the security efforts of friendly nations. As recovery plans were developed, it became apparent that while the postwar recovery needs of those countries were diminishing, further economic assistance from the United States beyond the fixed expiration date of the Economic Cooperation Act would be necessary for them to achieve established defense goals. This need for continued assistance in order to achieve more specific security objectives was recognized by the Congress in passing the Mutual Security Act of 1951.

The program of the Mutual Security Agency now set assigned to provide the marginal assistance required to

enable countries participating in mutual defense efforts to expand their financial and productive capacity to build their armed forces, to increase the production of military goods, to construct bases, air fields, and other necessary facilities, and to take related actions. By preserving recovery gains, the program provides the economic base on which defenses are being built, and diminishes the possibility that economic dislocations may lead to internal subversion. MSA programs contribute to the security of the Far East by supporting defense activities, and by checking hunger, sickness, and other causes of the current civil unrest.

The size of our assistance program in most countries now depends upon a given level of military effort. For European nations, the amount of United States aid planned under bilateral agreements is related to the commitments made by these countries to the North Atlantic Treaty Organization defense arrangements. As a general rule, funds are released only as the agreed-upon plans are implemented.

The present and projected Mutual Security Agency programs differ markedly from the activities under the recovery program which were directed primarily toward closing the "dollar gap." Economic Cooperation Administration operations previously were designed to increase the production of export goods and to decrease the need for goods produced in the dollar areas. Aid was allotted principally on the basis of commitment to relax trade restrictions, to promote financial stability, to expand foreign trade, and to take other steps to reduce dollar deficits.

2. Modification of Functions under the Economic Cooperation Act to Conform to New Programs

Study of the revised Mutual Security Agency program has shown that the basic functions which have been necessary to provide assistance for recovery are mutually those required to further mutual security objectives. Certain other functions, however, may be discontinued, and certain others modified in the manner in which they are exercised. The functions which should be continued, and the extent to which others may be discontinued or modified, are discussed below.

1. All Major Functions Must be Continued

The major powers and functions of the Economic Cooperation Act, though designed for recovery purposes, have proved through recent experience to be readily adaptable and essential to the new Mutual Security Agency programs directed to military support. They will be needed by the Director for Mutual Security to fulfill his assignment. The following paragraphs cover the principal functions, and briefly explain their changed uses.

Under the Economic Cooperation Act, for example, the Administrator is authorized to furnish aid in the form of commodities and services. Commodities and equipment from this country helped the Marshall Plan nations to recover their economic strength. Although the general composition of commodity aid remains much the same, its use and source have changed in many respects. Coal, machine tools, and other materials from this country now are enabling our allies to manufacture their share of the military weapons and facilities required to support our joint effort. Indeed, without this kind of help, the economic conditions making

possible the required military efforts could not be maintained.

Under the authority of the act, technical assistance was provided to export industries and to capital goods manufacturers to increase the dollar earning power of the participating country economies. This identical authority has been used since the enactment of the Mutual Security Act to send American technicians abroad to assist manufacturers of such military goods as combat vehicles, artillery, electronics equipment, ships, weapons, and small arms. In addition, the Mutual Security Agency technical assistance program already has been directed to production problems in defense-supporting industries such as iron and steel, pipe and tube rolling and drawing, iron foundry, forging and stamping, metal casting, oil refining, electroplating, and so on. In the Far East, most kinds of technical assistance have a direct bearing on the security of the area.

The Administrator originally used his power to approve disposition of local currency accounts to guide these funds into channels of investment useful to the economic reconstruction and stability of participating countries. The Congress, in the Mutual Security Act, recognized the potential security value of local currencies. Sizeable amounts of counterpart are now being advanced jointly by the United States and participating countries to increase military production, construction, equipment, and material. Decisions on the amount of counterpart to be released and the uses will have a direct impact on the size and content of national expenditures, including military budgets.

The Economic Cooperation Act authorizes the transfer of funds to certain types of international institutions. The authority thus far has been used for contributions to the European Payments Union, which has contributed to the facilitation of trade between European countries. The use of this authority may be necessary in connection with arrangements to close transactions for the exchange of military items among North Atlantic Treaty Organization countries. These efforts represent a major step toward regional codification.

2. Terms of Assistance

The Administrator is authorized to supply commodities and services in the form of grants, upon payment in cash, on credit terms, or on other terms if payment.

The continuation of the power to furnish assistance under several financial arrangements is essential. The largest part of the aid supplied necessarily must be in grants because many recipient countries are incapable of causing substantial additional debt. Bureaucratic entanglements in other participating countries are reducing loans from the Export-Import Bank of Washington, which was the funds and authority for foreign borrowing. To preserve flexibility, the power to provide assistance on other credit terms, including repayment in materials, will continue to be needed.

3. Supporting Functions to be Continued

The Economic Cooperation Act provides for other functions which influence the use of aid, or otherwise contribute to the objectives of economic assistance. Some of these supporting functions are necessary for mutual security purposes.

The act, for example, directs the Administrator to give full publicity regarding activities including its purpose, scope, and character, and Congress otherwise authorized Economic Cooperation Administration information activities of a broad kind to promote the objectives of the recovery program. Information activities supported by the use of counterpart funds will continue to be important to the objectives of the mutual security program and their authorization should be continued. Their activities, however, are being geared to the more specific objectives of the mutual security program and are being integrated with related activities so that a single comprehensive United States program is achieved. Steps toward this objective will be continued under procedures established pursuant to section 107 of the Mutual Security Act.

The power to guarantee American investments in countries included in the Mutual security program against expropriation and the inability to convert earnings enables countries supporting activity which mutual be continued. The guarantee program, although not now a major activity in the Mutual Security Agency, will result in securing the participation of American private investment in the program abroad. Since the Mutual Security Act extends the guarantee authority to all areas of the world to which assistance is being furnished, additional plans to utilize this authority are being considered.

4. Supporting Functions to be Discontinued

Some supporting functions which contributed to the rehabilitation of war-torn economies are not needed to sustain mutual defense plans. Therefore, those functions, which are discussed below, either should be terminated or be under a part of the long-range programs of permanent Government agencies.

The Administrator is authorized in the Economic Cooperation Act to work jointly with the Secretary of Commerce to promote travel by United States citizens abroad. Tourist trade for several years has been a major source of dollar earnings for countries in Europe. The dollar gap must, of course, continue to be a matter of profound concern to our national policy; European economic and political health will be jeopardized unless Europe can earn more dollars to buy from us military goods and goods vital to the functioning of its economy. Programs for increasing dollar earnings through promotion of American tourism, however, are results from the defense support programs of the Mutual Security Agency.

The guarantee of investments in enterprises for the distribution of United States books, magazines, films, and other informational media has increased the supply of such materials abroad. The informational benefits of this program, however, have been of a general kind and are not, therefore, in direct support of the more specific objectives of the mutual security program. Accordingly, this function may now be discontinued in the Mutual Security Agency. There will be submitted for the consideration of the Congress a report for authority to enable the Government to carry on this function.

The Administrator is directed to pay ocean freight charges on relief packages to countries receiving aid. The Economic Cooperation Administration contributed to the shipment abroad of large quantities of private relief supplies which have abroad much good will for the United States. In recent years there has been a marked decline in the use of this subsidy. Although this program is

an effective auxiliary to our foreign policy, it does not contribute directly to the mutual security program and therefore should not be carried on by the Mutual Security Agency. There has been submitted for the consideration of the Congress as a part of the 1953 mutual security legislation a request for authority and funds to permit the President to designate any department or agency of the Government to carry out this function.

Sections 115(f) and 117(a) of the Economic Cooperation Act direct the Administrator to promote the procurement and increased production of materials in which the United States is deficient.

There can be no doubt about the importance of increased supplies of strategic and critical materials to the military production of the United States and its allies. The Mutual Security Agency, as part of its country programs, will continue to emphasize and support materials projects through use of direct assistance and counterpart funds. The functions assigned by the act, however, primarily involve increasing production for the United States stockpile. This task is more directly related to other United States programs than to overseas defense support activities.

The President has established a special agency, the Defense Materials Procurement Agency, to increase the production of essential materials both in this country and abroad for use in the United States. Under a recent agreement, DMPA, an agent for the Mutual Security Agency, is operating projects, previously supervised by the Economic Cooperation Administration, the production of which will go to the United States. The DMPA, in close coordination with NSC, but with its own funds and loan authority, can continue to initiate and develop projects of this type. The United States defense buildup will better be served if all our materials development projects primarily related to United States procurement are administered as part of a single, centralized program. The Director for Mutual Security, therefore, will not continue to require the powers contained in sections 115(f) and 117(a).

It should be pointed out that section 115(c)(5) of the Economic Cooperation Act, requiring that bilateral agreements shall make appropriate provision for facilitating the transfer to the United States of deficiency materials, will be continued. Furthermore, through the continuance of section 115(h), not less than five percent of such counterpart account will continue to be reserved for the use of the United States Government for the purchase of deficiency materials which are required by the United States, and for other purposes.

5. Administrative Functions to be Continued

The Economic Cooperation Administrator was provided with operating flexibility which contributed substantially to the effective development and administration of a dynamic program of economic recovery. The Director for Mutual Security now is responsible for an equally dynamic program, and he will continue to need similar administrative authority.

The internal structure of the Economic Cooperation Administration and Mutual Security Agency has been revised to eliminate assistance objections and programs have changed. Reductions in NSA personnel have been made beyond the ten percent reduction required by the Mutual Security Act. The special country missions and the European

office of the agency have undergone personnel changes in line with revised assignments. USA staff overseas are engaged in reviewing country capabilities and commodity requirements. They assist European producers to eliminate "bottlenecks" in military production, and they assist United States armed services and their contractors to locate and develop European sources of items to minimize the drain on scarce United States supplies.

In addition to providing customary administrative powers, the Economic Cooperation Act empowers the Administrator to employ persons for overseas service at Foreign Service rates and to have overseas employees appointed to the Foreign Service.

With the exceptions cited below, the Director for Mutual Security will need all the administrative powers in the Economic Cooperation Act to carry on his functions and responsibilities under the Mutual Security Act.

The Economic Cooperation Act required countries to allocate to the use of the United States Government five percent of the commodity deposits against the goods aid they receive. These funds have been used, under the review of the Bureau of the Budget, to meet administrative and other essential expenses, and the provision should be continued.

4. Administrative Functions to be Eliminated

The power to create a corporation, with the approval of the President, has never been utilized, and does not seem necessary to the discharge of the Director's responsibilities.

Sections 105(b) and 109(b) of the act provide for coordination between the Administrator and the Secretary of State, and between the chief of the special mission and the chief of the United States diplomatic mission, respectively. These provisions have largely been superseded by the Mutual Security Act, but to eliminate possible confusion they should not be continued after June 30, 1952. Section 3 of Executive Order 10700 provides for coordination between the Secretary of State and the Director for Mutual Security in order that mutual security programs shall be carried out in conformity with the established foreign policy of the United States. Under section 507 of the Mutual Security Act, the President is providing for the country-level arrangements to govern the administration of the mutual security program.

5. Other Laws

Several other laws confer powers, functions, and responsibilities on the Economic Cooperation Administrator which now have been transferred to the Director by the Mutual Security Act.

1. The China Aid Act of 1948

The China Aid Act of 1948 authorizes the Administrator to furnish aid to China under the applicable provisions of the Economic Cooperation Act. It also contains specific provision for the establishment of the Joint Committee on Rural Reconstruction in China. Title III of the Mutual Security Act now provides for aid to the general area of China. The China aid act, with the exception of the JCRR provision, does not, of itself, establish any new powers, functions, or responsibilities. The striking success of the JCRR in strengthening the economy of Farwest argues

strongly for the retention of the act and its use in support of the mutual defense program now being carried on there. For this reason, it is recommended that the Administrator's functions under the act be continued after June 30, 1952.

2. The China Area Aid Act of 1950

The China Area Aid Act of 1950 assigns to the Administrator responsibility for furnishing aid to countries in the general area of China pursuant to the applicable provisions of the Economic Cooperation Act. Aid to that area is now covered by title III of the Mutual Security Act, which similarly authorizes aid to be furnished under applicable provisions of the Economic Cooperation Act. The China Area Aid Act does not establish any new power or aid furnished pursuant to its provisions depended upon the exercise of powers conferred by the Economic Cooperation Act. There are, however, some residual activities, such as the use of certain counterpart funds, which depend upon the authority originally contained in this act. For that reason, the powers, functions, and responsibilities established by the act need to be kept in legal force for the time being.

3. The Far Eastern Economic Assistance Act of 1950

The Far Eastern Economic Assistance Act of 1950, as amended, authorized the Administrator for Economic Cooperation to furnish assistance to the Republic of Korea pursuant to the applicable provisions of the Economic Cooperation Act. The Mutual Security Act, in section 207, provides that the functions of the Administrator under that act shall be performed by such departments or agencies of the Government as the President shall direct.

4. The India Emergency Food Aid Act of 1951

The India Emergency Food Aid Act of 1951 authorizes and directs the Administrator to provide emergency food relief assistance to India on credit terms. The major part of this task will be accomplished by June 30, 1952. The remaining functions will be liquidated as appropriate under the provisions of the Economic Cooperation Act.

P. J. LAWTON

Director

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MARCH 24, 1952

The President has sent the following identical letters to
Honorable Tom Donnelly, Chairman, Committee on Foreign Relations,
United States Senate; Honorable James P. Richards, Chairman, Com-
mittee on Foreign Affairs, House of Representatives; Honorable
Richard P. Russell, Chairman, Committee on Armed Services, United
States Senate; and Honorable Carl Tamm, Chairman, Committee on
Armed Services, House of Representatives:

March 22, 1952

My dear Mr. Chairman:

In compliance with Section 501(e)(1) of the Mutual Security
Act of 1951, I hereby notify you that I have today determined that
it will contribute to the defense of the North Atlantic area and
to the security of the United States to institute a program to
improve the reception and treatment and to secure the resettlement
of qualified people who escape from the Iron Curtain area. This
program will supplement, but to no extent supersede, the efforts
now being made by the countries bordering on the Iron Curtain
area which carry the main responsibility for taking care of these
people.

This program has been recommended to me by the Director for
Mutual Security with the concurrence of the agencies concerned.
It is their estimate that approximately \$2,300,000 of funds appro-
priated under Title I of the Mutual Security Act will be required
for the calendar year 1952 to fund this program, which together
with \$2,700,000 planned to be obtained from other sources includ-
ing counterpart and privately contributed funds, will make possi-
ble the carrying out of this program.

Representatives of the Displaced Branch are prepared, at
your convenience, to provide you and your Committee colleagues
personally with further information about this program if desired.

Sincerely yours,

HARRY S. TRUMAN

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CONFIDENTIAL: The following identical letters from the President to Honorable Tom Connally, Chairman, Committee on Foreign Relations, United States Senate, and Honorable James P. Richards, Chairman, Committee on Foreign Affairs, House of Representatives, in fee automatic session at 7:30 a.m., U.S.T., Thursday, March 27, 1952. No portion, synopsis, or estimation may be published or broadcast before that time.

PLEASE GUARD AGAINST PRECIPITATE PUBLICATION OR ANNOUNCEMENT.

JOSEPH S. ROBERT
Secretary to the President

"My dear _____:

Pursuant to section 501(c) of the Mutual Security Act of 1951 (P. L. 166, 83d Cong., 1st sess., approved October 30, 1951), I hereby inform the Committee on Foreign Relations of the Senate [Committee on Foreign Affairs of the House of Representatives] that I have found that, except as hereinafter set forth, all of the powers, functions, and responsibilities transferred to the Director for Mutual Security by subsection (b)(2) of section 501 of said act are necessary to enable the Director for Mutual Security, after June 30, 1952, to carry out the duties conferred upon him by section 503 of said act.

Powers, functions, and responsibilities under the Economic Cooperation Act of 1948, as amended, with respect to the following are not necessary to enable the said Director, after June 30, 1952, to carry out the duties as conferred upon him:

1. Creation of a corporation (section 106(d)).
2. Consultation with the Secretary of State in the specific manner prescribed in section 105(b).
3. Consultation between the chief of the special mission and the chief of the United States diplomatic mission in the specific manner prescribed in section 109(b).
4. Guarantee of transportation in interstate producing or distributing informational media (section 113(b)(3)).
5. Procurement and increased production in participating countries, under sections 115(1)(1) and 117 (a), of materials which are required by the United States as a result of deficiencies or potential deficiencies in the resources within the United States; and purchase, under section 115(1)(2), of strategic and critical materials to any participating country.
6. Promotion and development of travel by citizens of the United States to and within participating countries (section 117(b)).
7. Payment of ocean freight charges of relief supplies and packages (section 117(e)).

The findings under section 501(a) have been found in favor of a specification of powers to be discontinued rather than powers to be continued. This approach has been adopted because by the enactment of section 503 the Congress has already

limited the range of the Director's responsibilities with respect to the activities of the Mutual Security Agency, thereby solidifying the action which had originally been contemplated would result from the finding under section 508(e).

The Congress, in the Mutual Security Act, reaffirmed the proposition that the mutual security efforts of the free world would not fail because some cooperating countries would not provide all the physical and financial resources required for defense mobilization. The Mutual Security Agency already has adjusted its programs and organization, and has curtailed some functions and modified others in order to direct its full effort to the objectives of the Mutual Security program. Under section 502(a)(2) of the act, however, the Mutual Security Agency now is using to support mutual defense the same major powers and facilities which originally were needed to sustain economic recovery. This experience has shown that the basic powers of the Economic Cooperation Act, appropriately redirected toward the new objectives, are necessary to enable the Director for Mutual Security after June 30, 1952, to carry out his responsibilities under section 501 of the Mutual Security Act. These provisions of the Economic Cooperation Act which are not required for this purpose are set forth in the above finding.

Although the Mutual Security Agency's authority to subsidize relief shipments and to make guarantees of informational mobile investments will be discontinued, it is essential that these activities be carried on after June 30, 1952. There has been submitted for the consideration of the Congress as a part of the 1951 mutual security legislative program a request for authority and funds which would permit the President to designate any department or Agency of the Government to carry on the function of subsidizing relief shipments. At an early date there also will be submitted for the consideration of the Congress a request for authority to enable the Government to continue the work of guaranteeing investments in informational mobile enterprises.

I am enclosing for your information copies of a report relating to the foregoing prepared by the Director of the Bureau of the Budget.

Sincerely yours,

HAROLD E. THOMAS

CONFIDENTIAL: The following address of the President at the ceremonies commemorating the third anniversary of the signing of the North Atlantic Treaty, at Constitution Hall, Washington, D. C., is for automatic release at 11:30 a.m., E.S.T., Friday, April 6, 1957. No portion, synopsis, or indication may be published or broadcast before that time.

PLEASE COME AWAY FROM PRESSURE PUBLICATION OR ANNOUNCEMENT

JOSEPH S. SEXTON
Secretary to the President

I am sure we all appreciate very highly the gracious remarks of Her Majesty, Queen Juliana. We are honored to have her and her husband with us on this historic occasion.

When twelve nations of Europe and North America came together three years ago to sign the North Atlantic Treaty, one purpose was foremost in our minds. That purpose was to preserve peace for ourselves and our children.

In the three years since April 4, 1948, the North Atlantic community has grown steadily in strength and in unity. Two more nations - Greece and Turkey - have joined the original twelve. But our purpose is exactly the same as it was three years ago.

The North Atlantic Treaty is an instrument of peace. All the lies and meanders of hostile propaganda cannot conceal the fact that our allies have entered this Treaty to preserve peace. The people of our countries don't want to fight another war; they want to prevent one. And they have gone about it in the only way that can possibly work: that is, by banding together for mutual self-protection.

In the past, many of the North Atlantic Treaty countries at one time or another have tried to find peace through neutrality and isolation. It didn't work. It never will work.

The people of the North Atlantic community know that if we are to preserve our independence, we must join our strength together.

We have come a long way in these three years. We have created a common defense organization, and have begun to develop standing defense forces, trained and equipped in spring into action against aggression. If we continue the hard, sustained effort we have begun, we can slowly foresee the time when our common military defenses will be strong enough to defend us against any attack.

But we of the North Atlantic community are doing far more than simply building military defenses. We are also working together to build the solid social and economic foundations which are essential to our military defenses and to our entire future.

It is not our aim to turn the North Atlantic community into one huge garrison, concerned only with defense. Such an objective would be foolish and self-defeating. Our actual aim is far different. Our aim is to remove the threat of war and then set free the forces of human progress and advancement. We want to get rid of poverty, to wipe out ill-health and disease, to provide better education for all our people, to build finer cities and towns and improve conditions on farms. We want to open the way to spiritual and religious growth, and the untrammelled development of the arts and sciences.

The North Atlantic Treaty has made a tremendous difference in the outlook of the people of our countries -- especially in Europe. Three years ago, many people were very discouraged -- they thought the next war was bound to come soon, nothing could be done about it, and successful defense was hopeless.

Today, there is a vast difference. Most people can now see that we are steadily increasing our chances of preventing another world war. And they can see that if we succeed, a great new future will open up for the human mind and spirit.

There are enormous possibilities of applying modern scientific advances to satisfy the needs and desires of men. There are immense opportunities to improve our social institutions, to bring about better living conditions, to achieve the free society man dreams of.

The basic principles of the Treaty are the same principles that underlie the United Nations: on the one hand, to prevent war, and on the other hand, to improve the conditions of life for men, women and children everywhere. This is why the North Atlantic Treaty stands so much to free men -- and only in our own countries, but in other lands.

The struggle for peace is not easy, and it is and a struggle that can be won overnight. We shall need to continue to work for peace with all the determination and skill that we have. Every one of our countries has already accepted heavy burdens in this common struggle for peace, and there will be more hardships and sacrifices in the future.

But we can attain our goal. We are demonstrating in the North Atlantic community every day that the dangers and problems of the modern world can be successfully overcome by men of good will working together in mutual trust and confidence.

And that is the way to peace with freedom and justice for all men everywhere.

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APRIL 12, 1952

38

The Secretary of Defense has addressed the following letter to General Dwight D. Eisenhower, Supreme Commander, Allied Powers Europe:

"April 10, 1952

Dear General Eisenhower:

In accordance with your request contained in your letter of 2 April, and with the approval of the President, I am taking appropriate action to secure your release from assignment as Supreme Commander, Allied Powers Europe, effective 1 June, and to have you placed on inactive status upon your return to the United States.

With kindest regards, I am

Very sincerely yours,

ROBERT A. LOVETT

General Dwight D. Eisenhower
Supreme Commander
Allied Powers Europe
APO 55, 4th Postmaster
New York, New York"

The following is the text of General Eisenhower's letter to the Secretary of Defense:

"Supreme Headquarters
Allied Powers Europe
2 April 1952

Dear Mr. Secretary:

I request that you initiate appropriate action to secure my release from assignment as Supreme Commander, Allied Powers Europe, by approximately June 1st, and that I be placed on inactive status upon my return to the United States. A relief date fixed this far in advance should provide ample time for the appointment of a successor and for any preparation and counsel that he may desire from me.

This proposal is in the spirit of the understanding I gave Irish officials in Washington who outlined the special purposes of my original appointment in December 1950. At that time it was believed by those individuals that, because of past experience, I had relationships with respect to Europe which would facilitate the formation of a common defense structure and the establishment of a pattern for its operation. An assumption on the part of responsible officials of our Government that I could be helpful in the vital task of preserving peace was, of course, a compelling reason for instantaneous return to active service and acceptance of this assignment.

As of now, I consider that the specific purposes for which I was recalled to duty have been largely accomplished; the command has been formed, its procedures established, and basic questions settled. Moreover, a program of growth and development, based on early experience and searching reexamination, has been agreed at governmental levels. There are many difficulties to be overcome but

given the wholehearted support of the NATO community, this program will provide a reassuring degree of security in this region, despite the continued presence of the threat of Soviet Communism. There is every reason to believe that the NATO nations will continue to work together successfully toward the goal of a secure peace.

Sincerely,

ROBERT A. RUSCHMAYER

Honorable Robert A. Lovett
Secretary of Defense
Washington 25, D. C.*

The following is the text of the letter addressed to the Chairman, The Standing Group, North Atlantic Treaty Organization, by General Ruschmayer:

*Supreme Headquarters
Allied Powers Europe
2 April 1952

Dear Mr. Chairman:

I have this week requested the United States Government to initiate action looking to my relief as Supreme Commander, Allied Powers Europe, by approximately the first of June.

This action is in consonance with my understanding and intentions when the President of the United States, in response to request from the NATO Council, appointed me to the post more than a year ago. It was expected at that time that wartime experience particularly qualified me to facilitate the initial organization of SHAPE, establishment of its procedures, and the institution of basic programs. Since these phases are now accomplished and, in view of the press of other developments, it is my hope to return to inactive military status.

In addition to establishing organizational and procedural patterns, I feel that we have seen considerable progress during the past year in our efforts to build adequate defenses in the European region. As related to you in my Annual Report, these gains were accompanied by a number of shortcomings and continuing problems. But, in the main, the results have been definitely positive.

The way to greater progress over the coming months was charted in the memorable conference at Lisbon, the prime significance of which was the coordination of military requirements with economic capabilities and the setting of specific goals for each of the NATO countries. If these goals are achieved, we shall see, by the end of this year, respectable forces established as the Continent, with the promise of further increases in future years, including substantial German reinforcement through the European Defense Force. I trust that you and your associates will spare no efforts to bring into realization all the essential steps agreed at Lisbon.

When I entered upon my duties in December 1950, I was sure that our common task in Europe was a job that had to be done. From later experience, I am convinced that it can be done and that, given full cooperation, it will be done.

Throughout the period of my service here, the support of the NATO governments, peoples and armed services, and of the Standing Group and Military Committee has been a prime factor in whatever success we have achieved in this command. I am most deeply grateful to you and hope that our NATO commands under your direction will continue to flourish as guardians of the peace.

Sincerely,

DWIGHT D. EISENHOWER

Lieutenant General Paul H. J.
The Chairman
The Standing Group
North Atlantic Treaty Organization
Room 22805, Parkway
Washington 25, D.C.*

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The text of the recommendation from the Director for Mutual Security follows:

Dear Mr. President:

The Mutual Security Act of 1951 provides, in Section 101 (b), that the President may transfer between military end-item assistance for European countries and economic assistance for European countries up to 10% of the total appropriations granted for those purposes.

I recommend that \$478,160,000 of the amount appropriated for military end-item assistance pursuant to Section 101 (a)(1) of the Mutual Security Act be made available by such a transfer for economic assistance to certain European countries. This sum has been agreed by the Secretary of State, the Secretary of the Treasury, and the Secretary of Defense to be essential to provide support to the defense efforts of France, the United Kingdom, Greece, Turkey and Yugoslavia.

It has become clear in the past two months that additional resources must be made available to these five countries during this fiscal year to permit them to meet their present and projected defense plans. I am satisfied that the funds requested to be transferred will in fact contribute to the defense effort more effectively in the form of economic aid than if the same funds were used to procure military end-items for delivery to Europe. The military effort made possible by this additional economic aid will be considerably larger than the amount of the additional aid itself. I therefore believe that this transfer of \$478,160,000 is necessary for the purpose of the Mutual Security Act, and I recommend it for your approval.

I am also attaching brief statements on each of the countries for which additional aid is recommended.

Sincerely,

W. A. HARRIMAN

Director for Mutual Security

With kindest personal regards from Mrs. Ezzary and
myself to Mrs. Tramm and you,

Respectfully yours,

W. JOHN EZZARY

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DECEMBER 30, 1952

The President has sent identical letters to Honorable Kenneth McMillan, Chairman, Committee on Appropriations, United States Senate; Honorable Richard B. Russell, Chairman, Committee on Armed Services, United States Senate; Honorable Tom Connally, Chairman, Committee on Foreign Relations, United States Senate; Honorable Clarence Cannon, Chairman, Committee on Appropriations, House of Representatives; Honorable Carl Vinson, Chairman, Committee on Armed Services, House of Representatives; and Honorable James P. Richards, Chairman, Committee on Foreign Affairs, House of Representatives. The text of the letter follows:

Dear Mr. Chairman:

I have been informed that certain goods of primary strategic significance have been shipped from the United Kingdom, France, and Italy to various countries of the Soviet Bloc in fulfillment of long-standing obligations. The total value of the shipments is \$2.5 billion.

The commitments to deliver these goods were made before the effective date of the embargo provisions of the Mutual Defense Assistance Control Act of 1951 (the Battle Act), Public Law 233, 82nd Congress. But the actual shipments began after that date. See they constituted of items which have been listed by the Administrator of the Act as items that should be embargoed to the Soviet Bloc in order to effectuate the purposes of the Act.

Thus I have been faced with a grave decision. Under Section 30(b) of the statute I am required either to terminate all military, economic, and financial assistance to the United Kingdom, France, and Italy, or to direct that assistance be soon terminated in spite of the shipments.

The provisions of the Battle Act with respect to termination of aid are as follows:

First, the Act requires -- with an possibility of exception -- the termination of all military, economic, or financial assistance to any nation which, after the effective date of the embargo provisions of the Act, knowingly permits the shipment of arms, ammunition, implements of war, or atomic energy materials to any nation or organization of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination.

The shipments from the United Kingdom, France, and Italy were not arms, ammunition, implements of war, or atomic energy materials, but indeed the Administrator informs me that to his knowledge an country receiving assistance from the United States has made any shipments of that kind whatsoever.

In addition the Act provides for the termination of aid to any country that knowingly permits the shipment to the same nation of petroleum, transportation materials of strategic value, or items of primary strategic significance used in the production of arms, ammunition, and implements of war. However, in cases involving items of these types (those in "Title I, Category 2" items), the President may direct the continuance of aid to the country permitting the shipment "when unusual circumstances indicate that the cessation of aid would clearly be detrimental to the security of the United States." The President may make such a determination after receiving the advice of the Administrator and after taking into account these four considerations: "the contribution of such country to the mutual security of the free world, the importance of such assistance to the security of the United States, the strategic importance of imports received from countries of the Soviet Bloc, and the adequacy of such country's controls upon the export to the Soviet Bloc of items of strategic importance."

The Administrator of the Act, W. Averell Harriman, who is also the Director for Mutual Security has advised me that aid to the United Kingdom, France, and Italy will be continued. He made this recommendation after consultation with Departments of State, Treasury, Defense, Interior, Agriculture, and Commerce; the Office of Defense Mobilization, Mutual Security Agency, Atomic Energy Commission, and Central Intelligence Agency.

Upon his advice, and by taking into account the four primary considerations from above, I have directed the continuance of assistance to the United Kingdom, France, and Italy. The rest of this letter will discuss the reasons for so doing.

The "Prior Commitments"

Up until the present time, there have been three decisions in connection with countries which had knowingly permitted shipments prohibited under the Battle Act. In those three cases the United States continued its aid to:

The Netherlands, which had permitted certain oil drilling equipment to be shipped to Poland, Italy, which had permitted a grinding machine to be shipped to Romania, Denmark, which had permitted a tanker to be shipped to the U.S.S.R.

These cases all involved "prior commitments" -- that is, commitments made before the Battle Act embargo laws went into effect on January 24, 1952. The shipments of \$2.5 million which now have been made by the British, French, and Italians also were in fulfillment of prior commitments. Still more of these commitments remain on the books of Western European countries. The problem of how to handle these obligations has been one of the most difficult issues that has arisen in the administration of the Battle Act.

The first question to be faced was whether the Act applies to such commitments at all. The Act prohibits further assistance [unless a Presidential exception is made] when a country "knowingly permits" the shipment of items included in the Table 1, Category B embargo list. In many cases, the countries in question had entered into trade agreements guaranteeing that they would permit the shipment of these items, and in other cases had issued, or promised to issue, export licenses covering such shipments. Thus there is a real question, especially in those countries where an export license cannot legally be revoked, whether the knowing permission had not been given at the time the foreign government signed the trade agreement or issued the export license. If it had been given at that time, the subsequent shipments would not be relevant, since the knowing permission had taken place before January 24, 1952, the effective date of the embargo law. If the Act were so construed, aid could be continued to such a country without a Presidential determination that continuance of aid was necessary.

Despite the legal ambiguity surrounding this question, however, the Administrator has construed the Act as being applicable to all shipments of embargoed items after the effective date, even though the permission was given beforehand. In favor of this interpretation, it is the interpretation that seems to be most closely in accord with the objectives of the Act, which are to increase the strength of the United States and the cooperating nations and to impede the military ability of the Soviet Bloc. The contrary interpretation also raises certain questions as to inequality of treatment, based perhaps on nothing more substantial than the fortuitous timing of the issuance of an export license.

For the Western European countries, however, the prospect of breaking firm contracts, made in good faith, raised serious problems. The governments of these countries pointed out that East-West trade is basically the exchanging of Eastern raw materials for Western finished metal products, and that this involves a considerable trade differential in deliveries. The Soviet bloc had placed contracts months, and even

years, before any of the items now requiring embargo under the Battle Act were agreed to be strategic by most countries, and also before the invasion of Korea in 1950. In many cases the Soviet Bloc and carried out its portion of the exchange by making deliveries of iron ore, grain, coal, and other essential commodities, and was meeting shipment of goods which, in effect, had already been paid for. The manufactured products, because of the time differential, were scheduled for delivery to the East to 1952, 1953 and 1954.

The Western European countries attach importance to the fulfillment of their formal trade obligations to the Soviet Bloc. They point out that the Communists constantly seek to picture the Western World as morally bankrupt and bent on the destruction of peaceful relations with the Soviet Bloc. They feel therefore that the moral position of the Western World in this battle of ideas would be weakened by outright violation of clear commitments.

Despite the force of these arguments, the United States requested the Western European countries concerned to review their shipments of prior commitment items, so that a joint review of the problem could be undertaken. This request led to an intensive review. As a result, the Western European countries declare that some of the projected shipments could be allocated without prejudice to the foregoing considerations. The allocations themselves involved about one-quarter of the outstanding prior commitments.

The three Battle Act exceptions already granted for the Netherlands, Italy, and Denmark total \$3.3 million.

Additional items valued at about \$2.5 million now have been shipped. These are the British, French, and Italian shipments with respect to which I now have made a determination that aid should be continued. The shipments originated as follows: United Kingdom, \$583,818; France, \$959,245; and Italy, \$946,000.

The items shipped from the United Kingdom were forging machines, special metal-working machines, cranes, valves, rolling mill equipment, belcranes, lummelins and parts, specialized testing devices, ball and roller bearings, industrial grinders and oils, a small quantity of diesel, and one blower. The items shipped from France were boring machines, valves, chemical equipment, compressors, electronic equipment, aluminum, and ball bearings. The items shipped from Italy were rolling mill equipment and ball and roller bearings. (See Appendix for a list of the items, their values, and their destinations.)

There remain a number of other prior commitments on the books not only of the United Kingdom, France, and Italy but also of Denmark and the Federal Republic of Germany. If further shipments of this kind take place, the United States Government will exercise such action as their merits and demands the appropriate action in the light of all the circumstances.

Why the Cessation of Aid Would be Detrimental to the Security of the United States.

Following are the considerations, specified in the Battle Act, which have led to the conclusion that unusual circumstances indicate that the cessation of aid to the United Kingdom, France, and Italy would clearly be detrimental to the security of the United States.

A. Contribution of these countries to the actual security of the Free World

All the countries associated to the North Atlantic Treaty Organization are important to the success of the common undertaking. But the United Kingdom, France, and Italy are the three largest European members of NATO and the vital importance of their participation can scarcely be exaggerated. In their foreign policies they support, as a basic principle, action directed toward the military and economic integration of Western Europe. By reason of their geographical locations, their industrial capacity, their armed forces and their other

resources, they are in a position to make, the they are making, contributions of the greatest value to the security of the free World.

In the world wars the United Kingdom has shown its determination to fight for the democratic way of life, and has, in those wars, borne the shock of combat in the early stages. In this sense it has in effect been a first line of defense for the free World. Its example during the dark days of 1940 and 1941 when it stood, with the Commonwealth, practically alone was one that cheered free men everywhere. France, the traditional ally of the United States from the time of the American Revolution, has likewise stood in the forefront of those willing to fight for a way of life that respected the dignity of the free individual. The Italy, despite a dark period in its history, has in recent years aligned itself firmly with the free nations of the world, and in the face of formidable obstacles has made a contribution of great value.

Together, the United Kingdom and France account for about one-fifth of the defense expenditures of the European NATO countries. Their share of the total production of military equipment is even higher. They rank highest among these countries in the percentage of gross national product devoted to defense spending.

The United Kingdom makes almost half of the defense expenditures of the European NATO countries. The United Kingdom and the United States have cooperated with each other in a manner unique in the history of nations. Common defense objectives have been developed, and the process of consultation that was undertaken during the last war has since resulted in a coordinated defense which is a cornerstone of United States security. The air bases in the British Isles are a key element in the free World's system of defense. The British fleet, together with those of the United States, stands in defense of our shores as well as theirs. The British merchant marine furnishes the United States, as well as the United Kingdom, with lines of supply. On the continent of Europe the British have the largest armored force of any NATO country, including the United States.

France, a country which has been the battlefield of both world wars, which has seen the death of its youth depleted by those wars, which has undergone the rigors of enemy occupation, and which has been forced to struggle brutally for its economic health, is second only to the United Kingdom among European NATO countries in defense expenditures and in output of military equipment. The vast communications network upon which the common effort depends is centered in France. While making its defense contribution in Europe, France is carrying the burden of a war against Communism in Indo-China. Into this war it has poured a vast sea of money and the skill of its trained officers.

Italy's contribution to the common security is in a sense one of the most noteworthy in the continent. Far out of the average of defense has arisen a Fascist government determined to play a major part in the struggle for freedom. Having experienced the evil of totalitarianism, Italy has resolved to stand on the side of freedom and to defend that freedom. Its natural resources are few. The social pressures which are the outcome of the poverty the distress of the masses have been intensified by years of totalitarian rule. Nevertheless, the insight the awareness of a Communist party that feeds on the poverty of the country, the Italian Government has taken firm steps to preserve its national security. It has modernized its military installations. In its harbors are based the NATO Mediterranean command, and the communications supply facilities are of incalculable value.

The factories of these three countries produce goods and services needed by the NATO forces, and this production is given priority over civilian needs. By June 30, 1953, the United States had placed contracts with European manufacturers for \$4.4 billion of equipment to be used by NATO and the United States military forces. About half this amount is coming from France, with Italy the United Kingdom having the next largest shares. In the year ending June 30, 1953, additional contracts of \$1 billion are expected to be let in Europe.

2. Dependence on the security of the United States of
assistance to these countries.

The security of the United States is squarely based on the unity of the Western nations and the continued strengthening of their front alliances.

It is useless the effectiveness of the contribution that the United Kingdom, France, and Italy can make toward that unity and strength is dependent at the present time on assistance from the United States.

Since the end of World War II the United States has given only grants and credits to Western Europe that amount to \$73.1 billion in economic aid and \$2.7 billion in military aid -- a total of about \$75.8 billion. Of the economic aid, \$6.4 billion went to the United Kingdom, \$0.5 billion to France, and \$7.6 billion to Italy. These three countries also received large shares of United States military assistance.

All this aid represents an investment directly in the interests of United States security. To terminate aid to the United Kingdom, France, and Italy would seriously threaten that security because it would jeopardize the effectiveness of the front nations' first line of defense in Europe. Our assistance is indispensable to the three countries; without it they would be unable to carry the military burdens they have assumed in NATO. Moreover, since the plans developed in NATO are integrated plans which depend for their success on the combined performance of these countries, the failure of these defense efforts would mean the collapse of the whole NATO system. We shall be importing a \$25 billion investment in Western defense for a consideration of \$2.5 billion worth of shipments which already have gone to the Soviet bloc. Secretaries on these shipments may be, and important as these commodities may be to the Soviet bloc, their strategic advantage to the Communists is far outweighed by the damage to our own security that would result from the termination of assistance.

3. Strategic importance of imports received by allied countries
from the Soviet bloc.

Each of the three, the United Kingdom, France, and Italy, has historical trade relationships with one or more of the countries now included in the Soviet bloc. A certain degree of dependence upon Eastern Europe has been developed, both as a market and a source of supply. The three nations have exchanged their own products for essential raw, grain, foodstuffs, and other commodities. If these countries were forced to shift to other sources of supply, the shift would involve the expenditure of more dollars, which these countries do not have.

The United Kingdom can produce only 80 percent of its own food supply. It is thus dependent on imports to feed its population. Since the end of World War II the United Kingdom has obtained very important quantities of coarse grains and livestock products from the Soviet bloc. The coarse grains, through the increase in domestically produced waste and poultry products, have made a vital contribution to the diet of the British people. The livestock products have helped to provide adequate housing for a significant number of British families; and such items as pig scrap have assisted directly in the increase of coal production.

If the British did not obtain these important items from the Soviet bloc, they would either have to produce them largely in dollar areas or go without. If they decided to produce these items in dollar areas, they would almost inevitably have to reduce their defense expenditures in order to obtain the needed dollars. If they decided to go without, they would have to worsen an already austere standard of living. Either alternative would weaken the British contribution to the common defense.

A somewhat similar pattern exists in both France and Italy -- both were difficult to both these countries, however, by the presence of large and vocal Communist groups. The Communist propaganda line has long been that refusal to trade with Eastern Europe has placed severe hardships on Western Europeans by cutting them off from important supplies traditionally purchased in Eastern Europe.

Italy still depends on the Soviet Bloc for supplies of such vital imports as coal, manganese, iron and steel, wheat and feedstuffs. Italy normally imports about nine-tenths of its coal requirements, and in 1951 the Bloc supplied 12 1/2 percent of Italy's coal imports and 11 percent of coke imports. Also in 1951 the Bloc supplied 6.5 percent of Italy's manganese imports, 7 percent of its pig iron imports, over 12 percent of wheat imports, and almost 20 percent of horse grain including rye, barley, oats, etc.

France, too, gets important quantities of certain essential imports from the Soviet Bloc, such as certain types of coal, although France's total trade with the Bloc is not as large as Italy's or Britain's. In 1951 France received from the Bloc almost 10 percent of its coal and coke imports, 8 1/2 percent of its total aluminum imports, and 10 percent of its asbestos imports.

Part of the reason why Eastern Europe has been able to reduce its dependence on Eastern supplies to these levels, and hence withstand to a marked degree the Soviet Bloc pressures for strategic items, has been the existence of United States aid. If we were suddenly to withdraw this aid, the flow of strategic goods and services to the Iron Curtain areas would be bound to increase. This would defeat the purpose of the Berlin Act, and contribute to it.

D. Adequacy of British, French, and Italian controls over the export of strategic items to the Soviet Bloc.

Failure to bring into all their price commitments should not be allowed to obscure the fact that these three countries have long operated effective controls over strategic items and have prevented the shipment of large quantities of these items to the Soviet Bloc. The British, in fact, enacted controls before the United States did so. Many improvements can undoubtedly be made in some controls systems, and work along these lines is in progress. These countries have had important participation in international discussions of controls -- a cooperative program and is unprecedented.

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In deciding whether to terminate aid in these cases, I have been guided by the basic objectives of the Act -- to strengthen the security of the United States and of the Free World. This Government has sought consistently to avoid placing weapons in the hands of the Soviet Bloc with which it views the Free World. But weapons take various forms. They may be commodities of strategic importance; they may be hunger or discontent within the borders of friendly countries; or they may be discord between our allies and ourselves. We must guard against giving the Soviet Bloc any of these weapons. It is my firm conviction that the decision to continue aid in these cases best serves the security interests of the United States.

Sincerely yours,

HARRY S. TRUMAN

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